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Canada Maritime Commission

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FIRST REPORT

OF THE

CANADIAN MARITIME
COMMISSION

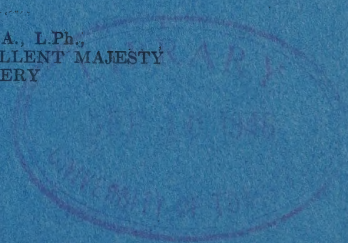
1947/48

Submitted under the provisions of the
Canadian Maritime Commission Act, 1947



OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1948

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FIRST REPORT

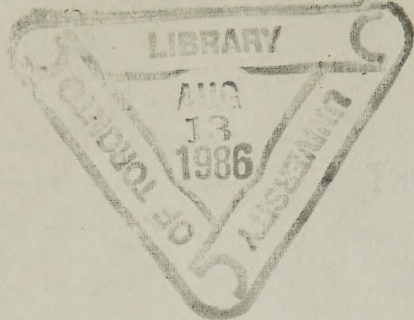
OF THE

CANADIAN MARITIME COMMISSION

Submitted under the provisions of the
Canadian Maritime Commission Act, 1947



OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
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1948



*To His Excellency Field Marshal the Right Honourable Viscount Alexander of
Tunis, K.G., G.C.B., G.C.M.G., C.S.I., D.S.O., M.C., LL.D., A.D.C.,
Governor General and Commander-in-Chief of the Dominion of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

The undersigned has the honour to present to Your Excellency the first Report of the Canadian Maritime Commission from its establishment on November 1, 1947 to March 31, 1948.

LIONEL CHEVRIER,
Minister of Transport.

CANADIAN MARITIME COMMISSION

Report for Period from November 1, 1947 to March 31, 1948

The Honourable LIONEL CHEVRIER, M.P.,
Minister of Transport,
Ottawa.

Sir,—In conformity with the provisions of Section 13* of the Canadian Maritime Commission Act, 1947, I have the honour to submit herewith the report of the proceedings of the Canadian Maritime Commission from its establishment on November 1, 1947 to March 31, 1948.

I have the honour to be, Sir,
Your obedient servant,

J. V. CLYNE,
Chairman.

OTTAWA, June 24, 1948.

CANADIAN MARITIME COMMISSION

Report for Period from November 1, 1947 to March 31, 1948

The Canadian Maritime Commission was established by the Canadian Maritime Commission Act, assented to on July 17, 1947, to meet the problems which arose from the rapid wartime development of the Canadian shipping and shipbuilding industries.

In 1939 the Canadian fleet of regular ocean-going ships over 1,600 gross tons contained only 35 ships, totalling 242,000 gross tons. By 1947 this fleet had increased to 153 ships, totalling 983,000 gross tons, and a further 80 ships totalling about 560,000 gross tons were on charter to the United Kingdom Ministry of Transport. Almost all of the war-built "Park" ships had been sold by the Government to private Canadian companies for operation under the Canadian flag. A comparable growth had taken place in the shipbuilding industry, and by 1947 there were 17 large and well-equipped shipyards and several smaller ones, which employed about 16,000 men on shipbuilding and repairing.

During the war when there was a crucial shortage of shipping, the Canadian shipping and shipbuilding industries had made a vitally important contribution to the Canadian and allied war effort by providing tonnage for military cargoes, foodstuff and other essential shipments. After the war the Canadian fleet played a prominent part in carrying the U.N.R.R.A. cargoes and other relief shipments so urgently needed to Europe and the Far East. Canadian experience during and after the war had clearly shown the strategic and commercial advantages of having a merchant fleet and the dangers of depending on foreign tonnage which would often be unavailable in an emergency. It was for these reasons that the government decided to sell the war-built ships to private Canadian companies for operation under the Canadian flag and to maintain a fleet and shipbuilding facilities commensurate with the requirements of national security and external trade.

It had become clear by 1947 that the government agencies dealing with shipping matters needed to be expanded. The temporary wartime bodies (The Canadian Shipping Board, the Transport Controller, The Directorates of Merchant Seamen and Wartime Shipbuilding Ltd.) established to control and direct the shipping and shipbuilding industries had been disbanded in 1946 and 1947. This restored responsibility for the administration of shipping matters to the pre-war governmental bodies which had been designed mainly for the regulation of the small pre-war fleet, administration of the Canada Shipping Act and payment of steamship subsidies. The Government decided that a new permanent body was required to carry out the policy of maintaining and developing the war-built fleet and to assist the Canadian shipping and shipbuilding industries to meet the postwar problems which they faced in competing with shipping of other flags.

The Canadian Maritime Commission was, therefore, established to co-ordinate the administration of shipping matters and recommend to the Government policies for preservation of the shipping and shipbuilding industries. The Canadian Maritime Commission Act provides that the Commission shall recommend to the Minister of Transport policies and measures which it considers necessary for the maintenance, manning and development of the Canadian merchant fleet and shipbuilding industry; administer steamship subventions

voted by parliament; and assume any other powers, duties and functions required by the Minister of Transport or by the Governor in Council. The Act also authorizes the Commission to investigate and study Canadian requirements with respect to shipping services, the type, size and speed of ships required for these services, Canadian shipbuilding and ship-repairing facilities and the costs of building ships in Canada and operating them under Canadian flag.

ORGANIZATION AND STAFF

The Commission was appointed on November 1, 1947, and then consisted of:

J. V. Clyne of Vancouver..... Chairman for a term of five years;
L. C. Audette of Ottawa..... Commissioner for a term of four years;
H. J. Rahlves of Toronto..... Commissioner for a term of three years.

Mr. Rahlves resigned because of ill-health on February 7, 1948.*

Upon appointment the Commission at once proceeded to obtain its staff and establish an organization divided into the following branches:

Traffic Services Branch.—This branch is responsible for collecting information concerning the Canadian shipping and shipbuilding industries and Canadian waterborne, domestic and external trade; analyzing this information and preparing reports upon shipping problems and policy as required by the Commission.

Subsidies Branch.—This branch is responsible for advising the Commission upon steamship subventions generally; investigating and administering subventions voted by Parliament; and inspecting services receiving subventions.

Secretarial and Legal Branch.—This branch is responsible for carrying on the Commission's correspondence; maintaining files and other records; keeping minutes of meetings of the Commission; drafting recommendations and reports and carrying out other secretarial duties; preparing contracts and advising the Commission on legal matters.

Comptroller's Branch.—This branch is responsible for dealing with personnel and office equipment and services; controlling and recording expenditures; auditing payments of steamship subventions; preparing estimates; and carrying out other financial duties as required by the Commission.

The staff of the Commission on March 31, 1948, included 23 employees whose annual salaries totalled \$59,040.

PRELIMINARY WORK OF THE COMMISSION

Surveys.—The Commission has been conducting a preliminary survey of the conditions and problems of the shipping and shipbuilding industries and their role in the Canadian economy, to serve as a basis for formulation of policies for their maintenance and development. The scope of the survey includes:

Shipping

- (i) the existing domestic and international shipping services needed to serve Canadian trade;
- (ii) the most suitable ships for employment in Canadian services;
- (iii) the operating costs of Canadian ships compared with those on other registries.

Shipbuilding

the geographical distribution and cost level and technical resources of the existing Canadian facilities for building and repairing ships.

*The vacancy created by the resignation of Mr. Rahlves was filled by the appointment on June 10, 1948, of Angus McGugan of Ottawa.

<i>Labour</i>	the condition of labour relations in the shipping and shipbuilding industries.
<i>National Defence and Trade</i>	the number and types of ships and the amount of shipbuilding plant and equipment needed to meet the requirements of Canadian external trade and national defence.

Advisory Committees.—In carrying out these surveys the Commission has secured the assistance of the shipping and shipbuilding industries. It has organized three regional advisory committees of prominent deep-sea shipowners operating from the Atlantic and Pacific Coasts and the St. Lawrence area and another committee to represent the Great Lakes shipowners. Further committees have been established consisting of representatives of coastal operators, small vessel owners, seafaring personnel, shipyard labour, shipbuilders, Canadian exporters, importers, manufacturers, primary producers and others concerned in Canadian shipping.

These committees which serve on a voluntary basis, have undertaken a program of work and are preparing reports outlining their views upon Canadian shipping policy. When their reports have been received, the Commission will convene a meeting of a national advisory committee consisting of representatives from each of these committees. These committees will enable the Commission to obtain the views and benefit from the knowledge and experience of shipowners, shipbuilders and other interests in all parts of Canada. The advices of the committees will provide the Commission with the broadest possible basis for formulation of shipping policies.

GENERAL ADMINISTRATIVE DUTIES

The Commission has undertaken the control and direction of two government agencies dealing with shipping matters.

Steamship Subsidies.—The Steamship Subsidies Branch, formerly part of the Department of Trade and Commerce, was transferred to the Commission on November 1, 1947, and since that date the Commission has administered the payment of subventions voted by Parliament for essential coastal and inland steamship services which cannot be operated without financial assistance.

The Commission, in considering applications for subventions investigates the operating costs and other factors which make them necessary. A formula has been established to determine on the basis of public convenience and necessity the services for which payment of subventions is justified. Forms of application and contract are being standardized and revised in order to see that any subventions granted are based upon the differential between revenues and costs.

Subventions paid during the fiscal year 1947-48 totalled \$2,240,915. This was \$692,809 more than was paid in 1946-47. This increase was the result of several factors, mainly the greatly increased costs of ship operation. A Steamship Stabilization Fund had been set up in 1942 to assist steamship operators who were receiving subventions and were prohibited by price ceilings from increasing their rates to meet increased costs for fuel, insurance, wages and other operating charges. When the Fund was abolished on January 31, 1948, the cessation of payments compelled these operators either to increase their rates and fares or apply for increased subventions.

From November 1, 1947, to March 31, 1948, twelve applications for increased subventions were dealt with. Of these, five were approved, four were dealt with by allowing increases in passenger and freight rates in place of subvention increases, and the remaining three are still being considered. A further six applications for subventions for new services were submitted; four of these were

refused and two are still being considered. Six applications for permission to increase freight and passenger rates were approved in services for which subventions were paid.

Park Ships.—The Park Steamship Company, a crown company formerly under the control and direction of the Minister of Reconstruction and Supply, was transferred to the jurisdiction of the Minister of Transport by P.C. 337 dated January 30, 1948. The Chairman of the Commission was subsequently appointed President of the Company and made responsible to the Minister of Transport for its management. The Company's headquarters were moved to Ottawa and its assets transferred to the Department of Transport.

The Company, under the Commission's direction, is responsible for the administration of, and collection of charter hire for the 78-10,000 ton ships now on charter to the United Kingdom Ministry of Transport. These ships have been sold to Canadian purchasers and the Company is arranging for the delivery at Canadian and United Kingdom ports of 20 of them during 1948 and the remaining 58 in 1950 on the expiration of a charter agreement. Nine 10,000 ton "stores-issuing" ships have also been on loan to the United Kingdom and two of these have been returned to Canada and offered for sale by public advertisement; the disposition of the remaining seven ships is now under discussion.

Another task to be carried out results from the operation of the Park ships when they were owned by the government and allocated to private Canadian companies for operation on a "management-fee" basis. A number of the voyage and repair accounts submitted by these companies still remain to be checked, audited and in some cases adjusted. A number of insurance claims involving about \$2,000,000 arising from these operations are also still outstanding and are in the course of settlement.

The sale of the Park fleet has not eliminated the financial interest of the Crown in these ships. Many of the purchasers are indebted to the Crown for mortgages attached to their ships. To protect these debts to the Crown, the Company, acting as an agent for War Assets Corporation, oversees the insuring of these ships by purchasers who have not yet paid for their ships in full.

The Company has still to complete several other tasks such as terminating cadet indentures, dealing with numerous outstanding liabilities and claims and negotiating settlements with the United Kingdom Ministry of Transport in connection with the ships returned by the Ministry to Canada under the terms of a bareboat charter agreement.

The transfer of the Company's headquarters and staff from Montreal to the Commission's offices in Ottawa has made it possible to reduce its expenses considerably and co-ordinate its work with the Commission. On March 31, 1948, the Company's staff consisted of 19 persons and further reductions will be made as the progress of the Company's work permits.

The Commission has been given responsibility for investigation, certification and settlement of all claims arising from the "Knock for Knock Agreement" between the governments of Canada and the United States. This agreement came into force on November 15, 1946, and provides for the waiving of maritime claims by either government for damages done to government-owned ships in collisions or accidents. On March 31, 1948, the Commission had 94 claims before it for determination under the Agreement.

TONNAGE REPLACEMENT PLAN

One of the principal problems being dealt with by the Commission is that of modernizing the Canadian-flag fleet. The Canadian fleet now consists of mainly 115-10,000 ton and 22-4,700 ton ex "Park" ships which were sold by

the Government to private Canadian shipping companies on liberal terms with a flag transfer restriction prohibiting their being re-sold with transfer of registry. A further 78-10,000 ton ships, now on charter to the United Kingdom Ministry of Transport, will be added to the Canadian fleet; 20 of these are being returned to the Canadian purchasers during 1948 and the remaining 58 will be delivered in 1950.

These war-built ships made a most important contribution to the Canadian and allied war effort and are still suitable for carrying bulk cargoes in many trades. However, many Canadian shipowners must have faster and more specialized tonnage for their services if they are to meet foreign competition effectively.

To meet this problem, the Commission is carrying out a tonnage replacement plan to enable Canadian shipowners who need new tonnage to sell their ex-"Park" ships with transfer of flag, using the proceeds to obtain replacements. A number of Canadian owners are now negotiating with the Commission regarding participation in the plan. It is felt that the plan will benefit both the shipping and shipbuilding industries. The shipowner is enabled to obtain the present high world market price for his war-built ship and to replace it with a ship better suited to his operations and capable of meeting foreign competition. The plan should provide long-term employment for Canadian shipyards and the personnel they employ. Merchant seamen will have better accommodation and living conditions and a greater guarantee of continued employment. The Government will receive prepayment of the mortgages now outstanding upon ex-"Park" ships and Canada will have a more balanced up-to-date fleet to serve her external trade and provide for the needs of national security.

ASSISTANCE GIVEN TO CANADIAN SHIPOWNERS AND OPERATORS

Canadian shipowners, like all shipowners engaged in international trade, face many problems arising from the dislocation of world trade and currencies and the growing intervention of governments in commercial matters. Because of the importance of shipping to national defence and its earning power, some governments have adopted restrictive measures designed to direct cargoes to their own ships at the expense of the shipping of other flags. Other governments have been compelled by their foreign exchange problems to resort to similar measures. The Canadian shipping industry is faced with difficulties arising out of exclusive shipping agreements between governments, refusals to employ the shipping of "hard currency" countries and foreign exchange restrictions.

The Canadian shipping and shipbuilding industries have availed themselves of the Commission's facilities in dealing with their practical operating problems. The Commission has received many reports from Canadian shipowners explaining the competitive difficulties they have encountered because of foreign exchange restrictions imposed by governments. In several cases, the Commission has been successful in having these restrictions modified to enable Canadian ships to secure a fair share of the traffic and is working out plans to minimize the disadvantage imposed on Canadian shipowners by their being within the "dollar area". Assistance has also been given to Canadian shipowners who have encountered difficulties in foreign ports in obtaining bunkers, supplies and port facilities.

The launching of the European Recovery Program has created many problems for Canadian shipowners. The United States Foreign Assistance Act provides that, subject to the availability of United States tonnage, 50 per cent of the European Recovery Program cargoes shall be carried in United States flag ships. The European recipient countries will be anxious to avoid dollar expenditures and will try to carry in their own ships as large a proportion as possible of the cargoes consigned to them, including goods to be secured from

Canada by the United States for European Recovery Program purposes. The Commission has been investigating this problem and has made recommendations to further the participation of Canadian shipping in the European Recovery Program.

The Commission has also consulted and co-operated closely with other government departments and agencies, particularly with the Department of Trade and Commerce in matters affecting domestic and external trade and with the Department of National Defence in questions of defence policy. International shipping matters have required collaboration with the Department of External Affairs. The Commission carried out preliminary studies and made recommendations upon the proposals discussed at the United Nations Maritime Conference at Geneva and was represented on the Canadian delegation to this Conference.

CONCLUSION

This report outlines the Commission's activities from its establishment on November 1, 1947, to the end of the fiscal year on March 31, 1948. Of this period of five months, several weeks were devoted to organization of staff, office arrangements and other preliminary problems. Consequently, most of the work described in this report was carried out during January, February and March, 1948.

At present the Commission is dividing its attention between its administrative and advisory duties and its survey of the Canadian shipping and shipbuilding industries. It will probably take several months to complete this survey which is being conducted in consultation with the shipowners, shipbuilders and other interests presented on the advisory committees. When the survey has been finished, it will serve as a broad basis for the shipping policies the Commission will recommend to the government from time to time for the maintenance of a Canadian merchant fleet and a shipbuilding industry commensurate with Canadian maritime needs.

J. V. CLYNE,
Chairman.

L. C. AUDETTE,
Commissioner.

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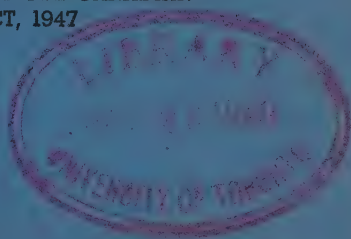
Government
Publications

SECOND REPORT
OF THE
CANADIAN
MARITIME COMMISSION

1949
JUNE 30, 1949

SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

PRICE 15 CENTS



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SECOND REPORT

OF THE

CANADIAN

MARITIME COMMISSION

JUNE 30, 1949

**SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947**

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
KING'S PRINTER AND CONTROLLER OF STATIONERY
1949

The Honourable LIONEL CHEVRIER, K.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act 1947, I have the honour to submit herewith the second report of the Canadian Maritime Commission, covering the period between April 1st, 1948 and March 31st, 1949.

I have the honour to be, Sir,

Your obedient servant,

J. V. CLYNE,
Chairman.

Ottawa,
June 30th, 1949.

THE CANADIAN MARITIME COMMISSION

The Canadian Maritime Commission was constituted by Act of Parliament known as The Canadian Maritime Commission Act assented to on the 17th day of July 1947 and on the 1st day of November 1947 the first members of the Commission were appointed.

The operative sections of the Act are as follows:

"

"6. The Commission shall consider and recommend to the Minister from time to time such policies and measures as it considers necessary for the operation, maintenance, manning and development of a merchant marine and a shipbuilding and ship-repairing industry commensurate with Canadian maritime needs.

"7. The Commission may examine into, ascertain and keep records of,

- (a) the shipping services between Canadian ports and from ports in Canada to ports outside Canada that are required for the proper maintenance and furtherance of the domestic and external trade of Canada;
- (b) the type, size, speed and other requirements of the vessels that are and in the opinion of the Commission should be employed in such services;
- (c) the facilities in Canada for the construction, repair and reconditioning of vessels;
- (d) the cost of the construction, repair and reconditioning of vessels in Canada and in other countries;
- (e) the cost of marine insurance, maintenance, repairs, wages and subsistence of officers and crews and all other items of expense in the operation of vessels under Canadian registry and the comparison thereof with similar vessels operated under other registry;
- (f) such other matters as the Minister may request or as the Commission may deem necessary for carrying out any of the provisions or purposes of this Act.

"8. The Commission shall

- (a) exercise and perform on behalf of the Minister such powers, duties and functions of the Minister under the Canada Shipping Act, 1934, as the Minister may require;
- (b) administer, in accordance with regulations of the Governor in Council, any steamship subventions voted by Parliament; and
- (c) exercise or perform any other powers, duties or functions conferred on or required to be performed by the Commission by or pursuant to any other Act or order of the Governor in Council.

"

"13. The Commission shall as soon as possible after the thirty-first day of March in each year and in any event within three months thereof submit to the Minister an annual report in such form as the Minister may prescribe of its affairs and operations during the twelve-month period ending on the thirty-first day of March, and the Minister shall lay the said report before Parliament forthwith if Parliament is then in session, or, if Parliament is not then in session, within the first fifteen days of the next ensuing session."

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Summary of Report

1. The Canadian shipping and shipbuilding industries originated in the early part of the 18th century. They owed their origin and early prosperity to the plentiful supplies of timber to be found in Canada. Shipbuilding reached its peak in the 19th century in the year 1875 when nearly 500 ships were built in this country. In 1878, with 7,196 vessels of 1,333,015 tons, Canada ranked fourth among the shipowning nations of the world.

2. In the latter part of the 19th century both industries declined due to the large scale production of steel for shipbuilding in the United Kingdom. With the exception of coastal and inland shipping, by the time that the first world war began, both industries had practically ceased to exist in Canada.

3. Submarine losses in the first world war caused the revival of shipbuilding, which in turn resulted in building for government account. The Canadian Government Merchant Marine Limited was formed to operate the government-owned fleet which by 1921 consisted of 63 vessels aggregating 380,000 deadweight tons. Although operations were profitable at the inception, the company was unable to compete with other companies operating faster and more modern vessels and by 1936 was forced to discontinue operations, resulting in a loss to the government of approximately \$82,000,000 on an original investment of \$73,000,000.

4. Very little shipbuilding was done after completion of the building of vessels for the Canadian Government Merchant Marine and by the beginning of the second world war both industries had again practically ceased to exist in Canada.

5. The second world war rendered urgent the revival of the two industries in Canada. Canadian shipyards produced 393 steel naval vessels and 398 merchant vessels of which 176, built at an average cost of \$181 per deadweight ton, were placed under the management of a Crown company, Park Steamship Company Limited. This cost contrasts favourably with \$192 per deadweight ton being the cost of construction of vessels for the Canadian Government Merchant Marine twenty years earlier.

6. The majority of the vessels owned and operated by the Government through the Park Company were sold after the war to private Canadian operators. From the operation and sale of vessels built for war purposes and managed by the Park Company the Government will recover on final settlement over \$200,000,000 out of an expenditure of \$270,000,000.

7. During 1946 and 1947 ocean freight rates remained high, there was a world shortage of shipping and Canadian owners were able to find employment for their vessels. During this period Canadian shipyards were able to maintain a satisfactory level of employment due largely to foreign orders.

8. During the year 1948 competition from foreign ships became keener, freight rates declined and currency and import controls were imposed by many countries owing to the increasing world shortage of dollars. Profits in the shipping industry fell off. The volume of work in the shipyards, however, was maintained due to a carry-over of foreign orders.

9. At the beginning of 1948 there were 215 dry-cargo vessels totalling 2,080,066 deadweight tons which had been sold to private Canadian operators for Canadian flag operation. It is found that such tonnage is in excess of Canadian maritime needs.

10. At the beginning of 1948 the major shipyards in Canada had a total potential annual output of approximately 500,000 gross tons of shipping, exclusive of the facilities in the Great Lakes area. This is a greater capacity than can conceivably be used in time of peace.

11. The cost of operating a Canadian flag ship is the second highest in the world. In comparing the daily operating costs (excluding fuel oil and depreciation) of similar ships of nine nations, the United States comes first with the sum of \$972.52, Canada comes second with \$810.50, the United Kingdom ranks sixth with \$525.46 and Italy is last with \$421.71.

12. Subject to the qualifications contained in this Report the cost of construction of a ship in Great Britain is approximately 25% less than the cost of construction of a similar ship in Canada.

13. Having regard to cost of construction and operation and taking trade balances into consideration, it is inadvisable as well as uneconomic for Canada to consider the construction and operation of a Canadian flag, ocean-going merchant marine of sufficient dimensions to accommodate all her export trade or any fixed percentage thereof.

14. The experience of the last two wars indicates that Canada must be prepared to assist her allies in the construction and the repairing of naval and merchant vessels in the case of another war particularly because of the vulnerability of shipbuilding and ship repairing industries in the United Kingdom and continental Europe.

15. The experience of the last war also indicates that Canada's national security requires that there should be available under Canadian registry a small and efficient ocean-going fleet for supply purposes and for the transportation of essential materials.

16. On the grounds of national security it therefore appears advisable to maintain the shipping and shipbuilding industries in Canada on a nucleus basis capable of rapid expansion in an emergency.

17. It is estimated that the shipbuilding industry can be maintained in Canada on a nucleus basis by the employment of 7,000 men in strategically placed shipyards. One half of this number of men would normally be engaged in ship repair.

18. It is estimated that a deep-sea dry-cargo and tanker fleet of about 750,000 deadweight tons would be sufficient for the carriage of essential cargoes in the early stages of an emergency and to act as auxiliaries for the Defence Services. Such fleet should contain a proportion of modern vessels, faster than those comprising the present-day fleet. The present vessels are uncompetitive with foreign flag vessels in liner trades.

19. A summary of the policies of foreign countries in respect to maritime aid is contained in Appendix A of this report.

I. Introduction

On the 24th of June, 1948, pursuant to the provisions of Section 13 of the Canadian Maritime Commission Act, we submitted a report outlining our activities from the date of our establishment, that is from the 1st of November, 1947, to the 31st of March, 1948, the end of the statutory period. That report covered a period of only five months, and as much of this time was spent in preliminary organization, it was not possible to submit as comprehensive a review as we should have wished. It will therefore be necessary in this report, covering the second statutory period from April 1st, 1948, to March 31st, 1949, to recapitulate some of the facts mentioned in our first report.

Under section 7 of the Act the Commission is specifically authorized to "examine into, ascertain and keep records of,

- (a) the shipping services between Canadian ports and from ports in Canada to ports outside Canada that are required for the proper maintenance and furtherance of the domestic and external trade of Canada;
- (b) the type, size, speed and other requirements of the vessels that are and in the opinion of the Commission should be employed in such services;
- (c) the facilities in Canada for the construction, repair and reconditioning of vessels;
- (d) the cost of the construction, repair and reconditioning of vessels in Canada and in other countries;
- (e) the cost of marine insurance, maintenance, repairs, wages and subsistence of officers and crews and all other items of expense in the operation of vessels under Canadian registry and the comparison thereof with similar vessels operated under other registry;
- (f) such other matters as the Minister may request or as the Commission may deem necessary for carrying out any of the provisions or purposes of this Act".

The first task of the Commission therefore has been to consider the conditions and problems of the Canadian shipping and ship-building industries and their role in the Canadian economy. To understand these problems and to benefit from past experience, it is desirable to review briefly the history of these two industries in Canada.

II. Review of Canadian Maritime History

Early Days

Although the first ships to be built in Canada were launched at Port Royal in 1606, the shipbuilding industry as a commercial enterprise can be said to date only from 1732, when, thanks to the encouragement and premiums offered by the French Minister of Marine, a shipyard was established on the banks of the St. Charles River, Quebec. Ten merchant vessels were completed in that year for delivery in France or the French West Indies, and orders followed for the construction of warships for the French navy.

From 1763 onwards the shipbuilding industry expanded in Quebec, Nova Scotia and New Brunswick, each of which possessed an abundance of timber suitable for both shipbuilding and export. In 1810 there were fifty-four Quebec-built vessels on the local register. The majority of the larger sailing vessels built between 1800 and 1840 were loaded with timber and despatched to the United Kingdom to be sold. Of one hundred and fifty-six vessels of 500 tons and over registered in Liverpool, England, in 1843, one hundred and thirty-six had been built in Canadian shipyards.

Between 1850 and 1860 shipbuilding became one of Canada's major industries. In 1853 some eighty ships of between 1,000 and 2,000 tons each were launched in Quebec and the Maritimes, and more than half the population of the City of Quebec depended for their livelihood on shipbuilding. In 1858, out of a hundred ships which sailed from Liverpool, England, for Australia, no less than sixty-four had been built in Canada. A survey undertaken in 1863 showed that twenty shipbuilders at Saint John, N.B., employed some 1,300 workers at an average wage of one dollar a day. The industry actually reached its peak in 1875 when nearly five hundred ships were built in Canada. Throughout the nineteenth century the average output of Canadian shipyards was in the neighbourhood of forty ships a year.

Side by side with this expansion of Canadian shipbuilding, largely for overseas purchasers, a Canadian shipping industry was being developed. Indeed, the distinction of being the first ship to cross the Atlantic wholly propelled by steam belongs to a Canadian vessel, manned by a Canadian crew. This was the "Royal William", built in 1831 at Quebec. Ships belonging to owners in the Maritime Provinces were engaged in the timber trade with Great Britain, in the fishing trade and in the West Indian and coasting trades. The

timber trade continued to increase in volume until the last quarter of the nineteenth century when the supplies of easily accessible timber began to be exhausted.

In 1840, Samuel Cunard of Halifax established the Cunard Line, whose transatlantic steamships made Halifax a port of call until 1867. The discovery of gold in Australia and California created a demand for the fast sailing ships which Canadians were building, and the Crimean War benefited Canadian shipowners by giving employment to their vessels for the transportation of troops.

During the eighteen-seventies, ships built and owned in Canada were to be seen on all the seven seas. By 1878 the Canadian merchant marine numbered 7,196 vessels of 1,333,015 tons, and Canada ranked fourth among the ship-owning nations of the world.

During the next twenty-five years, however, the fortunes of Canada's shipping and shipbuilding industries declined. The decline was due to the large-scale production of steel for shipbuilding in the United Kingdom during the eighties. Ships built of steel began to supplant iron steamships as well as wooden sailing vessels. In 1879 steel steamers represented only 10.3 per cent of the total tonnage launched on the Clyde; in 1889 the percentage was 97.2.

The last wooden sailing vessel to be built in Canada for international trading was launched in 1895, and by 1900 all the larger sailing vessels had been sold to Norwegians, Italians and others. Within the brief period of twenty-two years (1878-1900) the tonnage of shipping registered in Canada decreased by almost fifty per cent.

1900 - 1914

During the period from the turn of the century to 1914 there was little Canadian participation in deep-sea shipping. The Beaver Line, which had been established in 1867 by the Canada Shipping Company, was sold to Elder, Dempster Company in 1899. It was subsequently bought by Canadian Pacific Steamships Limited, a British company, in 1903, and formed the nucleus of their transatlantic service, later to be expanded through the acquisition of the Allan Line in 1916. In 1910 the Canadian Northern Railway inaugurated a steamship service with fortnightly sailings from Canadian Atlantic ports to Bristol. One Canadian firm, William Thomson and Company of Saint John, N.B., operated nine small ships in the bulk-carrying trades in the Caribbean area. With these two exceptions, by 1914 Canada's foreign-going merchant fleet had almost ceased to exist.

Apart from the construction of river steamers, ferry-boats, tugs and small coastal vessels, there was practically no steel shipbuilding in Canada during this period. The Canadian shipbuilding industry was at a disadvantage in competing with British yards in the construction of ocean-going tonnage. It could draw neither upon the resources

of a local iron and steel industry, nor upon the technical skills of a highly developed engineering industry, nor was there a domestic demand for ships such as had existed fifty years earlier.

First World War

The revival of Canada's deep-sea shipbuilding industry in the First World War dates from early in 1917 when the British Ministry of Shipping, alarmed at the heavy losses being inflicted by submarines, sent experts to investigate the facilities for steel shipbuilding in Canada. It was found that, apart from repair work, only some half-dozen shipyards were building a few small cargo vessels, barges and Government steamers. The need for ships was urgent and it was therefore decided to make use of all available facilities and to establish new shipyards.

Accordingly, the Imperial Munitions Board placed contracts with ten firms to build steel ships of from 1,800 to 8,800 tons deadweight capacity. Twelve ships were subsequently completed on the West Coast, twenty-three on the Great Lakes, four on the St. Lawrence and two in the Maritimes. Each ship was delivered upon completion to managers appointed by the British Government.

Early in 1918 the Canadian Government embarked on a programme of steel shipbuilding on its own behalf and as berths became vacant keels were laid for Canadian ships.

1919 - 1939

The ships built under the Canadian programme were intended to co-operate with British shipping in carrying war supplies. Although the war ended before any of these ships were delivered, the Government decided to continue with the shipbuilding programme, partly as a means of providing employment, and partly to ensure sufficient shipping for the carriage of Canada's overseas trade. The Canadian Government Merchant Marine, Limited, was formed to operate the ships upon completion.

By 1921 a fleet of sixty-three ships aggregating 380,000 deadweight tons had been launched for the Canadian Government Merchant Marine. Sixteen were built on the West Coast, twenty-one on the Great Lakes, nineteen on the St. Lawrence and seven in the Maritimes. They were built by fourteen shipbuilding firms and were of six basic types, ranging from 2,800 to 10,500 deadweight tons capacity. Completion of this programme virtually marked the end of steel shipbuilding in Canada for the time being, and those yards which continued to operate after 1921 depended almost exclusively on repair work, as had been the case prior to the war.

The period (1918-1921) during which these ships were built was still subject to wartime inflationary influences and costs were at their

highest point. The abnormally high first cost later proved a serious handicap to the economical operation of the ships. Contracts were let on the basis of an agreed price averaging nearly \$192 per deadweight ton, representing a total expenditure of approximately \$73,000,000 for the whole fleet of sixty-three ships.

During 1919 and 1920 the Canadian Government Merchant Marine established regular sailings on most Canadian trade routes, notably those to the United Kingdom, to South America, and the West Indies, as well as to French ports and in the Newfoundland coastal trade. In these two years there were substantial operating profits, if interest and depreciation charges are excluded.

In 1921, however, ocean freight rates declined sharply, and on some commodities by as much as fifty per cent. The Company experienced losses on many voyages, and found it almost impossible to obtain homeward cargoes, especially from the United Kingdom. Operating expenses throughout the year exceeded revenues by more than \$2,000,000. The Company had now been in existence for three years, and the directors recommended that all the smaller type vessels be sold. This recommendation was accepted, although it was not until 1933 that the Company disposed of the last of these vessels.

The directors further recommended that the ledger cost of the vessels be reduced to their actual replacement value, which in 1921 was considered to be \$75 per deadweight ton. This recommendation was not accepted, and by 1930 it was considered doubtful whether the vessels could be sold in their depreciated condition for more than \$10 per ton.

The directors of the Company also recommended that during a five-year period interest due the Government should be paid only if earned after allowing for depreciation. They made this recommendation on the following grounds: first, that the Canadian Government Merchant Marine had pioneered services on certain trade routes valuable to Canada but unprofitable to the Company, and secondly that it had not enjoyed a period of prosperity such as had enabled other shipping companies to build up the reserves necessary to carry them over difficult times. The recommendation was not accepted and both interest and depreciation continued to accrue on the original high cost of building the Company's vessels.

Sailings to South American ports were discontinued in 1921 as a result of a reduction in cargoes. In 1928 the service was resumed at the request of the Department of Trade and Commerce and an annual subsidy of \$120,000 was provided for guaranteed monthly sailings. Owing to a lack of homeward cargoes the service was finally abandoned in 1933. The United Kingdom service was maintained until 1929, when it too had to be abandoned, owing to increasing competition which the Company was unable to meet with the type of ships

at its disposal. A service from Pacific Coast ports to Australia, the Orient and India, was established in 1920 to develop the market for British Columbia lumber. In 1927 this service was discontinued also due to a lack of homeward cargoes, but a service from Atlantic ports to Australia and New Zealand was maintained until 1936. An inter-coastal service was established in 1924 to develop the market for British Columbia lumber in Eastern Canada and the United States. In 1933, when the principal exporter of lumber decided to go into the business of operating ships for himself, the service was discontinued.

Although the Company succeeded in opening up many trade routes that were later to be more fully exploited by other steamship companies, its operations were becoming more and more unprofitable. Between the years 1923 and 1936 therefore, all the Company's ships had to be sold at substantial losses in order to eliminate the mounting deficits arising from their uneconomical operation. The loss resulting from these sales approximated \$68 million on an original investment of about \$73 million. If net losses on operating account are included, the total loss to the Government, exclusive of interest on capital and other advances, totalled more than \$82 million. Thus ended Canada's first venture into Government ownership and operation of a merchant fleet.

If we have dwelt at some length upon the results of this experiment in state ownership it is because we believe that these facts deserve to be widely known, since there is a disposition in some quarters to seek a similar solution for our present problems. In this second post-war era the Canadian Government adopted a policy based on the principle that the business of shipowning is an international commercial operation, the organization and administration of which are best left to private initiative.

In comparing the operation of the Canadian flag ships during the two post-war periods, it should be observed that in the first period the low level of ocean freight rates and the lack of cargoes worked to the disadvantage of Canadian shipping. In the first two years of the second post-war period, 1946-1947, rates held at high levels and cargoes were plentiful. Canadian shipping had little difficulty in finding employment, though the effect of import controls and currency restrictions adopted by overseas countries was beginning to be felt.

One of the outstanding problems confronting Canadian ship-owners to-day is the high cost of operating a type of vessel built to meet a wartime emergency and not economically suitable for operation in many trades due to its slow speed, heavy consumption of fuel, and high maintenance costs. It is therefore interesting to note the remarks of the Honourable C. P. Fullerton, K.C., the then Chairman of the Board of Trustees of the Canadian National Railways and a

director of the Canadian Government Merchant Marine. In a statement recommending the liquidation of the balance of the Canadian Government Merchant Marine in 1935, he said, "These vessels were laid down in the war years during a shortage of Allied shipping and were intended for the carriage of munitions and war supplies. Before their completion the war was over, so the Government decided that they should be used in the development of trade routes which were not served by private interests. They are, however, quite unsuited to such operations to-day and handicapped as to speed, heavy fuel consumption, and lack of refrigeration. They cannot compete with modern ships of double the speed (our ships have a speed of $8\frac{1}{2}$ to $10\frac{1}{2}$ knots), low operating costs, and adaptability to the trade in which they are engaged. With these handicaps it is only a question of time before we are forced out of the business, or compelled to accept the heavy operating deficits resulting from the loss of business." Fourteen years have passed, yet these observations have considerable significance in relation to the future of the vessels which to-day comprise our merchant marine. In this respect, if in no other, there is a certain parallel between the two post-war situations.

Nevertheless, it is only fair to say that in spite of the heavy financial losses sustained by the Canadian Government through the operation of these ships during the period 1918-1936, there were certain benefits which accrued to the Canadian economy as a whole. The vessels proved most useful in the immediate post-war years, when they provided an essential service to Canadian exporters and importers in filling in the gap caused by a world shortage of tonnage. They were able to open up and pioneer new routes for Canadian trade, particularly those to the West Indies, India, Australia and New Zealand, trade routes subsequently found profitable to private operators. The services to Australia and New Zealand, and to Newfoundland, also made possible an annual saving of \$156,500 in subsidies formerly paid to private operators. Probably the greatest benefit derived from the Canadian Government Merchant Marine lay in the training and experience gained by many of its officers and administrative personnel, which enabled them to fill a number of the key positions in the operation of this country's shipping during the Second World War.

Although the Canadian Government Merchant Marine did not live up to the expectations of its sponsors, another venture into Government ownership and operation should be mentioned. In 1925 the Government negotiated a trade treaty with the British West Indies, which provided that regular passenger and cargo shipping services of a high standard should be established by the Canadian Government. To implement this treaty the Canadian National (West Indies) Steamships, Limited, was formed. This company acquired six cargo vessels from the Canadian Government Merchant

Marine and later put into service five new specially designed passenger-cargo ships with refrigerated space. The Company is still carrying out Canada's obligations under the Canada-West Indies Trade Agreement.

To meet the growing demands for petroleum in Canada the Imperial Oil Company had been building up its fleet of ocean-going tankers and by 1939 had ten deep-sea tankers operating under the Canadian flag, mostly on the Atlantic Coast, carrying crude oil from the Caribbean to supply Eastern Canadian refineries.

Second World War

In 1939 there were on the Canadian registry only thirty-eight regular ocean-going ships of 1,000 gross tons and over, totalling in all 241,684 gross tons, of which eleven belonged to Canadian National Steamships and ten were ocean-going tankers owned and operated by Imperial Oil Limited. Within a period of twenty years (1920-1939 inclusive), as may be seen from Table I, the number of Canadian ocean-going ships had fallen by more than half. During the fifteen-year period (1924-1939) Canadian shipyards launched only forty-two steel vessels exceeding 150 feet in length. Some shipyards built only one such vessel during the whole period. Repair work and the building of some minor craft was all that kept most of the shipyards functioning.

Following the declaration of war the Canadian Government set up a War Supply Board to initiate the purchase of weapons and materials of war. The shipbuilding division was an important department of the Board. By February 1940 orders had been placed for the building of 64 corvettes and 14 minesweepers. With the formation of the Department of Munitions and Supply in April 1940 shipbuilding became one of its branches. In the autumn of 1940 the United Kingdom Government placed orders with Canadian shipyards for twenty-six 10,000-ton merchant ships. In April 1941, the Government established Wartime Merchant Shipping Limited (later Wartime Shipbuilding Limited), a Crown Company to supervise the merchant shipbuilding programme. At the same time the shipbuilding branch of the Department of Munitions and Supply was charged with the control of the building of naval vessels and all floating craft with the exception of merchant ships. A third branch, the Controller of Ship Repairs and Salvage was also established during this period.

The Government later decided to retain under Canadian flag some of the ships being built, and for this purpose Park Steamship Company Limited was formed in April 1942, to supervise the management of the ships, which were allocated to private companies on a management-fee basis. By this arrangement these private companies were given the opportunity to gain experience in the

TABLE I
Number and Tonnage of Canadian Ocean-going Vessels of 1,000 Tons Gross and Over
(Excluding vessels operated on the Great Lakes and in Coastal Trade)
1920-1949

	1920		1925		1930		1935		1939		1945		1946		1947		1948		At March 31, 1949	
	No.	G.T.	No.	G.T.	No.	G.T.	No.	G.T.	No.	G.T.	No.	G.T.	No.	G.T.	No.	G.T.	No.	G.T.	No.	G.T.
Passenger and Dry Cargo.....	36	168,831	22	139,379	26	150,023	21	143,819	25	147,272	156	979,538	139	902,933	145	927,661	157	1,035,430	130	847,023
Canadian Government Merchant Marine	44	158,823	49	214,679	30	158,282	10	57,662	...	...	...	...	...	...	...	...	...	...	...	...
	80	327,654	71	354,058	56	308,305	31	201,481	25	147,272	156	979,538	139	902,933	145	927,661	157	1,035,430	130	847,023
Tankers.....	2	6,776	8	68,143	10	89,222	11	94,470	13	94,412	17	96,365	12	56,388	10	81,031	15	143,361	15	134,232
Total.....	82	334,430	79	422,201	66	397,527	42	295,951	38	241,684	173	1,075,903	151	959,321	155	1,008,692	172	1,178,791	145	981,255

NOTE—Figures given are Gross Tons, and should not be confused with deadweight tons mentioned elsewhere in this report.
Gross tonnage $\times \frac{4}{3}$ = Deadweight Tonnage (Approximately).

management and operation of ships, and the Government reserved for itself the high profits to be earned in wartime. By the end of 1945 the Park Steamship Company had turned over to the Government earnings on operations amounting to some \$82 million, and by March 31st, 1949, approximately \$40 million more.

By the end of the War the Government had built 398 merchant vessels of various types, of which 363 were dry cargo ships. The number and types of vessels built in Canada throughout the war are shown in Table II. The cost of building each of the several types of merchant ships included in the Park Steamship Company's fleet is shown in Table III. The average cost of the ships per deadweight ton was \$181, which compares favourably with \$192 per deadweight ton, the cost of building the Canadian Government Merchant Marine twenty-four years before. When it is remembered that the cost of shipyard labour and materials had increased considerably in the interval, this reduction in the price per deadweight ton is seen to represent an improvement in technical skills and efficiency greatly to the credit of the industry.

TABLE II

Summary of Steel Naval and Merchant Vessels Built in Canadian Shipyards during World War II—1939-45

<i>Atlantic Coast</i>	<i>Naval</i>	<i>Merchant</i>	<i>Total</i>
Corvettes.....	3		
*Destroyers (Tribal Class).....	4		
4,700 Ton Dry Cargo Ships (Dominion).....		2	
4,700 Ton Dry Cargo Ships (Grey).....		24	
4,700 Ton Dry Cargo Ships (Grey, Revised).....		6	
	<u>7</u>	<u>32</u>	<u>39</u>
<i>St. Lawrence River</i>			
Ammunition Lighters.....	2		
Minesweepers, Bangor.....	16		
Base Supply Ships.....	2		
Corvettes.....	38		
Corvettes, Revised.....	16		
Frigates, (River Class).....	53		
Transport Ferries.....	21		
Water Boats.....	2		
Trawlers, Western Isles.....	4		
79' Stores Lighters.....	4		
Diesel Tugs, 1,000 H.P.....	5		
10,000 Ton Dry Cargo Ships (N.S.I.S.).....		3	
10,000 Ton Dry Cargo Ships (Canadian).....		12	
10,000 Ton Dry Cargo Ships (North Sands).....		84	
10,000 Ton Tanker (North Sands).....		1	
4,700 Ton Dry Cargo Ships (Dominion).....		4	
4,700 Ton Dry Cargo Ships (Grey).....		3	
4,700 Ton Dry Cargo Ships (Grey, Revised).....		4	
3,600 Ton Tankers.....		3	
	<u>163</u>	<u>114</u>	<u>277</u>
<i>Great Lakes</i>			
Minesweepers, Algerine.....	62		
Minesweepers, Bangor.....	22		
Corvettes.....	25		
Corvettes, Revised.....	26		
Ocean-going Tugs.....	18		
Trawlers, Western Isles.....	12		
3,600 Ton Tankers.....		3	
	<u>165</u>	<u>3</u>	<u>168</u>

*Under construction at cessation of hostilities.

TABLE II—*Concluded*

Summary of Steel Naval and Merchant Vessels Built in Canadian Shipyards during World War II—1939-45—Concluded

<i>Pacific Coast</i>			
Minesweepers, Bangor.....	22		
Corvettes.....	14		
Frigates (River Class).....	17		
Transport Ferries.....	5		
Maintenance Ships.....		16	
10,000 Ton Dry Cargo Ship (A.S.I.S.).....		1	
10,000 Ton Dry Cargo Ships (V.S.I.S.).....		8	
10,000 Ton Dry Cargo Ships (Canadian).....		16	
10,000 Ton Dry Cargo Ships (North Sands).....		115	
10,000 Ton Dry Cargo Ships (Victory).....		81	
10,000 Ton Tankers (Victory).....		12	
	58	249	307
Grand Total.....	393	398	791

TABLE III

The Cost of Construction of Vessels Managed and Operated under Canadian Registry by Park Steamship Company, Limited

Type	Number	Total	Average Construction Cost per Vessel	Total Construction Cost
<i>10,000-Ton Dry-Cargo Vessels</i>				
Canadian.....	28		\$1,572,803	\$ 44,038,484
Victory.....	74		1,662,825	123,049,050
North Sands.....	12		1,658,443	19,901,316
		114		
<i>4,700-Ton Dry-Cargo Vessels</i>				
Dominion.....	6		1,130,424	6,782,544
Revised Grey.....	10		1,129,354	11,293,540
Grey.....	26	42	1,276,521	33,189,546
<i>10,000-Ton Tankers</i>				
Victory.....	12		1,881,689	22,580,268
North Sands.....	1		1,748,848	1,748,848
		13		
3,600-Ton Tankers.....	6	6	1,124,315	6,745,890
Tanker (Converted Dredge).....	1	1	761,310	761,310
		176		\$270,090,796

Of the 363 dry-cargo ships built during the War ninety were sold to the United States for lend-lease to the United Kingdom, two were bought by the United Kingdom, and thirteen were lost. At the end of the War the Government owned 258 dry-cargo ships. Of these 150 belonged to the Park Steamship Company's fleet, sixteen were on loan to the United Kingdom, one on loan to Australia, and ninety-one were on charter to the British Ministry of Transport.

For the second time in twenty-seven years a Canadian Government was faced with the problem of what to do with a large number of merchant ships acquired through the exigencies of war. The ships

were of standard types designed to meet a wartime emergency. Their high fuel consumption, slow speed, and lack of refrigerated space unfitted them to hold their own against fast, modern, more economical cargo-liners which shortly after the war began to appear in British and foreign merchant fleets. It was obvious that, once the world-wide shortage of shipping had been overcome, the ships would not be able to compete with more efficient foreign vessels. Undoubtedly, the proper course was to replace the ships, and to that end, on the advice of the Commission, the Government evolved a replacement plan which is outlined later in this report.

In the course of this brief review of Canadian maritime history, which has brought us up to the end of the Second World War, we have seen the Canadian shipping and shipbuilding industries rise to a position of importance in the Canadian economy on three different occasions, and during two periods we have watched them decline. The first decline was brought about through the large-scale production of steel for shipbuilding in the United Kingdom. The second decline occurred during the period following the First World War and was not necessarily due to the adoption of a policy of Government ownership and operation of a merchant marine. A more important factor was the failure to replace obsolescent ships. At this point it is desirable to examine each industry separately to see what comparisons may be made with the previous post-war period.

III. The Shipping Industry 1946-48

The special committee appointed in 1943 to consider and formulate a policy for Canada's merchant shipping had recommended that it should be operated in peace time by private enterprise. This recommendation was carried out and all the war-built vessels owned by the Government were sold. Two hundred and fifteen of the dry-cargo ships were sold to Canadian companies. The price was based on the estimated post-war value of the vessels less allowances for wear and tear depending on the age of the vessel. One of the conditions of sale was that the ships were to be operated under Canadian flag. Table IV shows the amount realized through the Park Steamship Company from earnings and from the sale of its fleet, together with the amount of mortgages outstanding as at March 31st, 1949.

During 1946 and 1947 Canadian shipowners had little difficulty in finding employment for their vessels. The world shortage of shipping and the large quantities of relief cargoes that had to be carried to Europe ensured Canadian participation. A large number of Canadian vessels found employment in the bulk trades and several Canadian operators established themselves in certain trade routes by offering regular cargo-liner services. These services were from East Coast ports to Northern Europe and the Mediterranean, West and South Africa, South America, India and the Far East. From West Coast ports there were three services established to the United Kingdom as well as a service to Australia and New Zealand and a round-the-world service via South Africa.

During 1948, however, the difficulties of Canadian shipowners began to increase as competition from foreign vessels became keener, and currency and import controls limited the field of Canadian activities to those trades in which dollar freights could be obtained. Owners of Canadian flag ships must secure at least 85 per cent of their freight revenue in a convertible currency in order to operate. The merchant fleets of other maritime nations were regaining strength and their governments naturally expected their fullest utilization in order to conserve their dwindling supply of dollars. Freight rates, which had remained at consistently high levels throughout the previous two years, began to decline.

Much had been hoped from the operation of the Marshall Plan designed to aid European recovery. Unfortunately, however, the provisions with regard to shipping proved disappointing to Canadian operators in that they restricted 50 per cent of the available American cargoes for U.S. vessels. Under the self-assistance principle encouraged by the Economic Cooperation Administration recipient

TABLE IV
*Final Disposition of Vessels, Dry Cargo and Tanker, Managed and Operated under Canadian Registry
 by Park Steamship Company Limited*

	No.	Total Cost	Per Cent	Total Recovery from Operations and Sales	Per Cent	Loss	Per Cent	Outstanding Mortgage Amount as at March 31, 1949
(A) Lost.....	6	\$ 9,195,578.00	100	\$ 3,230,080.06	35.1	\$ 5,965,497.94	64.9	\$ Nil
(1) (B) Sold to Foreign Interests.....	31	45,378,583.00	100	27,145,045.24	59.8	18,233,537.76	40.2	Nil
(2) (C) Sold to Canadian Interests.....	139	215,516,635.00	100	168,927,411.60	78.4	46,589,223.40	21.6	15,042,231.72
	176	\$270,090,796.00	100	\$199,302,536.90	73.8	\$70,788,259.10	26.2	\$15,042,231.72

(1) Includes 3 vessels sold in a damaged condition.

(2) Includes 1 vessel sold in a damaged condition.

(This table does not include vessels on loan or charter to the United Kingdom which were not operated by the Park Steamship Company, Limited)

nations were required to carry in their own vessels as much as possible of the balance of the cargoes and of the offshore purchases. As a result of these measures, Canadian flag ships have been practically eliminated from the carriage of E.C.A. financed shipments.

The changes which occurred, both in the volume of this country's seaborne trade and in the percentage carried by Canadian vessels, are shown in Table V. In respect to Canada's trade, 1946 was an abnormal year owing to continued government controls. It will be seen that from 1947 to 1948 there was a marked increase in the seaborne tonnage of imports but a greater decrease in that of our exports. The percentage of imports carried by Canadian ships declined from 28.1 in 1947 to 19.6 in 1948, and the percentage of exports carried declined from 18.3 to 17.3.

TABLE V

Canadian Flag Participation in Canadian Seaborne Trade

(excluding trade with Newfoundland and U.S.A.)

Trading Area	IMPORTS*			Percentage Carried by Canadian Vessels		
	Total Cargo Tonnage (Thous. Tons)					
	1946	1947	1948	1946	1947	1948
1. United Kingdom.....	419	371	680	20.0	2.0	.7
2. Northwest Europe.....	140	268	282	15.0	20.8	2.8
3. Mediterranean.....	37	22	53	67.5	87.2	23.6
4. India and Persian Gulf.....	106	142	115	79.0	6.1	5.4
5. China, Japan and East Indies.....	24	69	175	26.0	12.8	19.4
6. Africa.....	128	89	125	83.0	77.2	60.6
7. Australia and New Zealand.....	106	122	155	26.8	38.8	38.0
8. South America.....	155	97	138	39.6	23.0	4.2
9. West Indies and Caribbean.....	1,450	1,960	2,455	36.1	32.8	25.4
	2,565	3,140	4,178	38.1	28.1	19.6

Trading Area	EXPORTS*			Percentage Carried by Canadian Vessels		
	Total Cargo Tonnage (Thous. Tons)					
	1946	1947	1948	1946	1947	1948
1. United Kingdom.....	6,709	8,297	6,654	18.0	12.0	9.8
2. Northwest Europe.....	1,495	1,620	1,185	34.3	21.4	17.1
3. Mediterranean.....	795	726	460	39.7	37.9	28.2
4. India and Persian Gulf.....	391	303	310	7.9	8.8	20.9
5. China, Japan and East Indies.....	610	431	699	33.8	46.9	48.2
6. Africa.....	787	354	469	34.1	48.9	30.9
7. Australia and New Zealand.....	591	589	400	16.5	12.2	25.8
8. South America.....	246	259	234	37.2	21.1	14.4
9. West Indies and Caribbean.....	562	582	564	59.9	48.8	41.3
	12,186	13,161	10,975	25.7	18.3	17.3

*Excluding Petroleum and its products.

Towards the end of 1948 it had become evident that Canadian shipping had reached the line of demarcation between a profitable and an unprofitable industry. In the liner trades the volume of dollar cargoes carried began to decrease. As a result of the drop in charter rates it was becoming more and more difficult for Canadian tramp ships to operate. The owners of these war-built vessels were under the handicap of a world dollar shortage and faced the competition of an increasing number of more efficient foreign vessels.

IV. The Shipbuilding Industry 1945-48

Shipbuilding in Canada during the post-war years can best be analysed if first of all a clear picture of the state of the industry following V. J. Day, August 15th, 1945, is set out. At that time, four Tribal class destroyers were in preparation or under construction for the Royal Canadian Navy. Eleven transport ferries, in addition to fifteen already delivered of an original order of seventy-one, were to be accepted by the British Admiralty provided they could be completed by the end of October 1945. Eight maintenance ships on the West Coast, five Algerine minesweepers on the Great Lakes, and two accommodation ships in a St. Lawrence yard were ordered to be completed for the Royal Navy.

Work was to be continued on fifteen 1,350-ton coasters in West Coast yards and twenty 300-ton coasters in Eastern and Great Lakes yards for the British Ministry of War Transport. Additional orders on which work was to continue included three diesel passenger-cargo vessels, two 4,700-ton dry-cargo vessels, one Naval Stores Issuing Ship, and eleven 105-foot steam harbour tugs. The number and type of vessels ordered to be completed are summarized below:

<i>Atlantic Coast</i>	Type	No.
Tribal class destroyers (two afloat).....		4
4,700 ton revised type cargo ship.....		1
300 ton C. type coasters.....		3
Total.....		<u>8</u>
<i>St. Lawrence River</i>		
Accommodation ships.....		2
Naval Stores Issuing Ship.....		1
Transport ferries.....		9
7,500 ton motor cargo ships.....		2
4,700 ton Dominion type cargo ship.....		1
300 ton C. type coasters.....		10
Total.....		<u>25</u>
<i>Great Lakes</i>		
Algerine minesweepers.....		5
Warrior type tugs.....		11
300 ton C. type coasters.....		7
Total.....		<u>23</u>
<i>Pacific Coast</i>		
Maintenance ships.....		8
Transport ferries.....		2
7,500 ton Motor cargo vessel.....		1
1,350 ton B. type coasters.....		15
Total.....		<u>26</u>

West Coast work also included the conversion of two cargo-vessels into Amenity ships. In the smaller yards thirty-five 60-foot steel tugs and fifteen 65-foot wooden tugs were to be completed.

During 1945 the total output of Canadian shipyards was eighty-eight ships, comprising fifty-one vessels of 279,848 tons displacement for naval service, and thirty-seven merchant ships aggregating 126,430 gross tons. The value of tonnage delivered was approximately \$132 million. Ship repairing and conversions continued to make heavy demands on the yards, the value of work amounting to \$31 $\frac{3}{4}$ million. Seventy-five per cent of this repair work was carried out by shipyards on the Atlantic and Pacific Coasts. Monthly employment on new construction, repairs and conversions during the year 1945 averaged 35,495 in the major yards.

In the year 1946 Canada ranked fourth among the shipbuilding nations of the world, following the United Kingdom, United States, and Sweden, in that order. Canada's rise as a shipbuilding country during the war was evidenced by the fact that seventy-five per cent of the shipbuilding orders on hand in the year 1946 were for foreign buyers. Orders included passenger and cargo vessels for owners in France, the Netherlands, Portugal, Brazil, Argentina and China. Deliveries during the year accounted for a total of sixty-two ships including sixty merchant ships aggregating 53,311 gross tons and two vessels for naval service totalling 12,276 displacement tons. The value of tonnage delivered in the year 1946 was \$28 $\frac{1}{2}$ million compared with \$132 million in 1945. Activity in the ship repairing business during the year slackened off from \$31 $\frac{3}{4}$ million to \$22 $\frac{1}{2}$ million. Compared with 1945, ship repairing declined fifty per cent on the West Coast, twenty-five per cent on the East Coast, and ten per cent in the Great Lakes-St. Lawrence area. Average monthly employment in the industry fell off from 35,495 to 14,899. Loss in employment was due primarily to short supply of steel plate and delayed deliveries of machinery and components.

Reviewing Canadian shipbuilding production in 1947, it is worthy of note that a greater variety of types of ocean-going vessels were delivered in that year than in any previous year in Canadian history, forty-two merchant ships aggregating 82,000 gross tons being delivered. One Royal Canadian Navy vessel of 2,276 displacement tons was completed. Ships launched during the year consisted of fifty-one vessels of 103,987 gross tons, exceeding the 1946 figure by 32,000 tons. Total value of tonnage delivered exceeded \$44 million. For the year 1947 the value of ship repair business amounted to \$24,645,000, an increase of \$2 million over that of 1946. Average monthly employment in the industry for 1947 was 16,035 as compared with 14,899 in 1946.

The annual shipbuilding reports issued by Lloyd's Register of Shipping show the tonnage launched by all maritime countries

during 1948 as 2,309,743 gross tons, the highest level of any year of the post-war period. Among the countries listed, Canada ranked eighth with a gross tonnage launched of 102,321. During the same year 1948, the larger Canadian shipyards effected deliveries, as opposed to launchings, of eighty-seven merchant vessels totalling 154,248 gross tons and another naval vessel of 2,276 tons displacement. Total value was approximately \$87 $\frac{1}{4}$ million, almost twice that of 1947. Of the eighty-eight vessels delivered in 1948, St. Lawrence yards accounted for forty-four vessels aggregating 82,918 gross tons; Pacific Coast yards, for twenty-nine vessels totalling 55,357 gross tons; and Great Lakes area yards, for fourteen vessels amounting to 15,973 gross tons. Atlantic Coast yards delivered one vessel for the Royal Canadian Navy. Of the eighty-seven merchant vessels delivered, sixty-two ships totalling 133,099 gross tons (seventy-one per cent of the number of merchant ships delivered) were for export to France, Brazil, China and Portugal, while the remaining twenty-five, of 21,149 gross tons, were for Canadian owners. The domestic deliveries included one coastal passenger vessel of 5,812 gross tons and three tankers totalling 9,040 tons. The balance of the tonnage was made up of dredges, tugs, barges and scows. The value of the ship repairing business during 1948 amounted to \$20 million, which was a decrease of approximately \$4 $\frac{1}{2}$ million compared with 1947. Average monthly employment during 1948 was 14,596. There was a definite downward trend on the West Coast where employment dropped from a monthly average of 3,019 in 1947 to 2,336 in the third quarter of 1948 and then to 1,593 in the month of December.

The number and tonnage of vessels delivered by Canada's shipbuilding industry between the years 1945 and 1948 are shown in Table VI, together with the annual value of shipbuilding and ship repairing and the average monthly employment in the industry.

TABLE VI

*Number and Tonnage of Steel Vessels Delivered by Canada's
Postwar Shipbuilding Industry, 1945-1948*

(Eighteen Yards Reporting)

Year	Merchant Vessels		Naval Vessels		Value of Shipbuilding	Value of Ship Repairing	Average Monthly Employment
	No.	Gross Tons	No.	Displacement Tons			
1945.....	37	126,430	51	279,848	\$132,000,000	\$31,750,000	35,495
1946.....	60	53,311	2	12,276	28,500,000	22,500,000	14,899
1947.....	42	82,000	1	2,276	44,000,000	24,645,000	16,035
1948.....	87	154,248	1	2,276	87,250,000	20,000,000	14,596

NOTE—Gross tonnage \times $\frac{4}{3}$ = Deadweight Tonnage (approximately).

Shipbuilding orders on hand as of March 31st, 1949, total twenty ships aggregating 74,785 gross tons under construction in nine shipyards. Thirteen ships of 44,880 gross tons are for export, four totalling 4,905 gross tons are for the Department of Transport, one of

approximately 4,000 gross tons is for the Royal Canadian Navy, and two of 10,500 gross tons each are for a Canadian operator and when completed will be the largest bulk carriers on the Great Lakes under Canadian Flag. Of the present shipbuilding orders on hand it is estimated that there will be a carry-over into 1950 of only three ships, two for foreign owners and one for the Royal Canadian Navy. Monthly employment in the industry for the first quarter of 1949 has remained fairly steady at between 10,500 and 11,500. However, unless new shipbuilding orders are booked soon it is anticipated that the employment figure will drop to around 9,000 men by the second half of 1949.

Having dealt generally with the present condition of the two industries, it is advisable at this stage to refer to the results of the specific investigations which the Commission has carried out in performance of its duties under Section 7 of the Act.

V. Investigations Authorized by Statute

One of the recommendations of the special committee appointed in October 1943, had been that all Government machinery dealing with merchant shipping should be co-ordinated. Accordingly, early in 1947 it was decided that a permanent body was required to recommend Government policies for merchant shipping and to assist the shipping and shipbuilding industries to adjust themselves to the uncertainties of the post-war period. For this purpose in July 1947, the Canadian Maritime Commission Act was passed and on November 1st the Commission was established.

Under Section 7 of the Act the Commission is authorized to examine into, ascertain and keep records of a number of matters relating to the shipping and shipbuilding industries. Since the problems which have faced our foreign-going deep-sea shipping have been the most urgent, we have largely confined our investigations to this branch of the industry, leaving for future consideration matters affecting Great Lakes and Coastal shipping. For convenience we have summarized the results of these investigations under the several sub-sections of Section 7 of the Act.

- (a) The shipping services between Canadian ports and from ports in Canada to ports outside Canada that are required for the proper maintenance and furtherance of the domestic and external trade of Canada.

Before the war the shipping services required for Canadian overseas trade were provided chiefly by British and foreign shipping companies. The nature and extent of these services were governed largely by needs for Canadian primary products. The system of Imperial preferences also helped to establish overseas markets for Canadian manufactured goods. Direct shipping services were operated from East and West Coast ports to the United Kingdom, the Caribbean, South Africa, India and Australia, as well as to Northwest Europe, the Mediterranean, China and Japan.

With the outbreak of war in 1939 these services were naturally disrupted. The merchant ships of the Allied Nations were all taken under some form of government control, and it was not until March, 1946, that the ships began to be returned to private operation. Some countries, however, continued to control their shipping by a system of licensing; the United Kingdom, for example, only ceased licensing its ships on December 1st, 1948, and Denmark lifted its controls on March 31st, 1949.

The division of the world into two large trading areas whose currencies are not freely convertible has led to the direction of trade

into artificial channels. To conserve their dollars, many countries in the sterling area have entered into bilateral trade agreements and have adopted rigid dollar import controls, the effects of which have been to restrict Canadian trade and, in some instances, to exclude Canadian commodities altogether.

Nevertheless, nearly all the shipping services which before the war operated out of Canadian ports have been resumed and there have been newcomers in many trades. For example, before the war only one steamship company provided regular service from East Coast ports to South Africa, and for this service the Canadian Government paid an annual subsidy of \$100,000. To-day there are four companies competing on this route. There is also evidence that certain trade routes are becoming overtonnaged.

The fact that in the 50 years between 1892 and 1942 the Canadian Government paid over \$50 million in subsidies towards the establishment and maintenance of regular shipping services from Canadian to foreign ports bears witness to the great importance that has been attached to the provision of such services in the past. Table VII shows in detail the amounts expended on various services.

TABLE VII

Total Subsidies for Overseas Shipping Paid by the Canadian Government, 1892-1942

Service	Total Subsidies
Montreal and Atlantic Ports to United Kingdom.....	\$15,626,228
Montreal and Atlantic Ports to Northwest Europe.....	1,625,724
Montreal and Atlantic Ports to West Indies and Caribbean.....	6,388,500
Pacific Coast Ports to West Indies and Caribbean.....	703,139
Montreal and Atlantic Ports to South America.....	430,000
Montreal and Atlantic Ports to Australia and New Zealand.....	1,671,665
Pacific Coast Ports to Australia and New Zealand.....	7,341,010
Pacific Coast Ports to China, Japan and East Indies.....	10,644,067
Montreal and Atlantic Ports to South Africa.....	4,853,983
Pacific Coast Ports to South Africa.....	590,523
Montreal and Atlantic Ports to Newfoundland.....	898,721
Montreal and Atlantic Ports to U.S.A. Atlantic.....	55,000
Pacific Coast Ports to U.S.A. Pacific.....	143,169
Total.....	\$50,971,729

The changing pattern of our overseas trade and our proximity to the United States with its excellent shipping facilities make it extremely difficult to anticipate our future requirements, which must therefore be the subject of continual review. The shipping services now available to Canadian importers and exporters are shown in Table VIII. The provision of shipping on all these trade routes is required. In our opinion the services, both Canadian and non-Canadian, now available are adequate for the present needs of our external trade.

TABLE VIII
*Cargo-Liner Services Operated During 1948
 and Average Sailings per Month*

Service	Number and Nationality of Lines	Average Sailings Per Month
Montreal and Atlantic Ports to United Kingdom.....	11 British.....	28
Pacific Coast Ports to United Kingdom.....	4 Canadian, 4 British, 2 Norwegian, 1 Swedish, 1 Danish, 1 Dutch.....	17
Great Lakes Ports to United Kingdom.....	1 Norwegian.....	1
Montreal and Atlantic Ports to Northwest Europe....	1 Canadian, 3 British..... 3 Norwegian, 1 French, 1 Swedish, 1 Dutch.....	19
Pacific Coast Ports to Northwest Europe.....	3 British, 2 American, 2 Norwegian, 1 Swedish, 1 French, 1 Danish.....	16
Great Lakes Ports to Northwest Europe.....	1 Norwegian, 1 Dutch, 1 Swedish.....	4
Montreal and Atlantic Ports to Mediterranean.....	1 Canadian, 1 Italian, 1 Israeli.....	4
Pacific Coast Ports to Mediterranean.....	2 American, 1 Italian, 1 Greek.....	5
Montreal and Atlantic Ports to West Indies and Carib- bean	4 Canadian, 1 American, 1 Swedish.....	14
Pacific Coast Ports to West Indies and Caribbean....	1 British, 3 American, 1 Norwegian, 1 Panamanian..	8
Montreal and Atlantic Ports to South Africa.....	2 Canadian, 1 Norwegian, 1 South African.....	7
Pacific Coast Ports to South Africa.....	1 Canadian, 1 British.....	2
Montreal and Atlantic Ports to India and Persian Gulf	1 Canadian, 2 British, 1 American, 1 Norwegian....	6
Pacific Coast Ports to India and Persian Gulf.....	1 British, 2 American.....	7
Montreal and Atlantic Ports to South America.....	1 Canadian, 2 American.....	4
Pacific Coast Ports to South America.....	1 British, 3 American, 1 Norwegian, 1 Panamanian..	9
Montreal and Atlantic Ports to Australia and New Zealand	1 Canadian.....	2
Pacific Coast Ports to Australia and New Zealand....	1 Canadian, 1 British, 1 American, 1 Swedish, 1 Norwegian.....	5
Montreal and Atlantic Ports to China, Japan and East Indies	1 Canadian, 2 British, 2 American.....	5
Pacific Coast Ports to China, Japan and East Indies..	2 British, 4 American, 2 Swedish, 1 Norwegian, 1 Philippine.....	22

NOTE—In addition to the liner services shown above there are numerous tramp vessels whose services are available to Canadian exporters. These vessels sail at irregular intervals as cargoes are offered and it is therefore not possible to give their sailing schedules.

(b) The type, size, speed and other requirements of the vessels that are, and in the opinion of the Commission, should be employed in such services.

During the past year we have investigated the characteristics of Canadian ships employed in our shipping services, and have come to the conclusion that for many trades the standard war-built types now in operation are becoming inadequate. British and foreign cargo ships of post-war design are on the average one-third faster, are equipped with more efficient cargo handling gear, and are more economical to operate.

In view of the variety of commodities which must be carried in our external trade, no one type of ship can be said to meet all requirements. A ship designed for use in the East Coast liner trades to the Continent would not necessarily be suitable for the West Coast lumber trades. Recent developments in ship design make it inadvisable at the moment to be too dogmatic in regard to the type, size and speed of vessels required in our liner services. However, aside from the special requirements of individual shipowners, we believe that the type of vessel most suitable for employment in our trade should have a service speed of at least $14\frac{1}{2}$ knots and a capacity of 7,500 to 10,000 deadweight tons. It should be designed for the carriage of deck cargoes and have a reasonable amount of refrigerated space. It is also necessary to bear in mind the necessity of developing a design for vessels capable of being rapidly produced in Canada in time of war. The Commission in conjunction with shipowners and shipbuilders is giving study to the development of the design of a vessel which would not only meet some of the requirements of our peace-time commerce but which would lend itself in an emergency to the methods of mass production.

(c) The facilities in Canada for the construction, repair and reconditioning of vessels.

In reviewing the facilities in Canada for the construction, repair and reconditioning of vessels, it must be borne in mind that shipyards alone do not constitute the whole shipbuilding industry. Shipyards are establishments which undertake the building, final assembly, fitting out and repairing of merchant and naval vessels, although in some instances they also manufacture components and develop the shipbuilding science. The industry of shipbuilding, however, also encompasses the manufacture of propulsion machinery, auxiliaries and materials throughout the country. For the purpose of this report we are not examining the industry in the larger sense but have confined ourselves to an examination of the major steel shipyards.

Shipbuilding in Canada lends itself to division into four geographical regions: the Pacific Coast area, Great Lakes area, St. Lawrence area and the Atlantic Coast area. In the Pacific Coast area two shipyards are located on Vancouver Island, two at North Vancouver and one at Prince Rupert. On the Great Lakes there are five yards, one each at Port Arthur, Collingwood, Midland, Kingston and Port Weller. In the St. Lawrence area two are located at Montreal, one at Sorel, two at Lauzon, Quebec, and one in Quebec City, while in the Atlantic Coast area there are four yards, one located at each of the following points, Halifax, N.S., East Saint John, N.B., Liverpool, N.S. and Pictou, N.S.

The total number of building ways in Canadian shipyards have a greater capacity than can conceivably be used in time of peace. There are approximately forty berths on which ocean-going dry-cargo

ships up to 10,000 tons deadweight can be laid down. At least twelve of these berths can be extended to take care of dry-cargo ships up to 18,000 tons deadweight and tankers to approximately 20,000 tons. These berths have a total potential annual output of approximately 500,000 gross tons of shipping. There are also facilities in the Great Lakes area for export shipbuilding of approximately 100,000 gross tons per annum, but by reason of the dimensions of the existing St. Lawrence locks the maximum overall length of ships which can be built in that area for use in ocean traffic is limited to 260 feet. There are five building ways in the Great Lakes yards on which can be built upper lakers to a maximum length of 650 feet. Notable among the upper lakers is the Canadian-built S.S. "Lemoyne", 621 feet in length, built in Midland in 1926. In one trip during the war years this vessel carried 16,577 tons of coal and two months later steamed down from the head of the lakes with 571,960 bushels of wheat in her holds. At the present time two large upper lakers, 640 feet in length, are under construction for Canadian owners, one at Collingwood and one at Midland.

As has been previously stated the present survey of the Canadian shipbuilding industry deals mainly with the shipyards and has been further limited to the larger steel shipyards. Statistical material is in the course of preparation in respect to the smaller shipyards and the boatbuilding industry. Tables IX, X, and XI, show the facilities available in the major Canadian shipyards for the construction, repair and reconditioning of vessels.

TABLE IX

Particulars of Building Ways and Methods of Launching

Shipyards	Berth No.	Building Ways Maximum Length	Maximum Width	Method of Launching
<i>Pacific Coast Area</i>				
Yarrows Ltd.....	1	335'	41'	End
	2	335'	45'	End
Victoria Machinery Depot Co. Ltd.	1	650'	85'	End
	2	650'	85'	End
Burrard Dry Dock Co. Ltd.....	1	250'	50'	End
	3	475'	88'	End
	4	475'	79'	End
	*9	500'	84'	End
	*10	500'	83'	End
Pacific Drydock Co. Ltd.....	1	450'	77'	End
	2	450'	77'	End
	3	450'	77'	End
Prince Rupert Dry Dock and Ship- yard	1	550'	75'	End
<i>Great Lakes Area</i>				
Port Arthur Shipbuilding Co. Ltd.	1	700'	70'	Side
	2	700'	70'	Side
Collingwood Shipyards Limited...	1	470'	56'	Side
	2	650'	70'	Side

*Available in the event of an emergency.

TABLE IX—*Concluded**Particulars of Building Ways and Methods of Launching—Concluded*

Shipyards	Berth No.	Building Ways Maximum Length	Maximum Width	Method of Launching
<i>Great Lakes Area—Concluded</i>				
Midland Shipyards Limited.....	1	750'	70'	Side
Port Weller Dry Docks Ltd.....	1	650'	90'	Flotation
Canadian Shipbuilding and Engineering Ltd. (Kingston)	1	350'	60'	Side
<i>St. Lawrence Area</i>				
Montreal Dry Docks Ltd.....	1	260'	43'6"	Flotation
NOTE—One building way by using No. 1 Dry dock				
Canadian Vickers Limited.....	1 } Double 1A) berth	550'	115'	End
	2A	500'	70'6"	End
	2B	500'	70'	End
	3	350'	48'	End
Marine Industries Limited.....	1	420'	70'	Marine Railway
	2	420'	70'	Marine Railway
	3	420'	70'	Marine Railway
	4	420'	70'	Marine Railway
	5	420'	70'	Marine Railway
	6	420'	70'	Marine Railway
	7	232'	55'	Marine Railway
	8	232'	55'	Marine Railway
Davie Shipbuilding and Repairing Co. Ltd.	1	450'	70'	End
	2	450'	70'	End
	3	450'	70'	End
	4	450'	60'	End
	5	550'	60'	End
	6	320'	55'	End
	7	320'	55'	End
NOTE—On either No. 4 or No. 5 berths if only one ship is built occupying the two berths, the breadth could be the combined width of the maximum given above; for other berths the maximum is that given above.				
G. T. Davie and Sons Limited	1	360'	55'	End
	2	360'	55'	End
	3	360'	55'	End
	4	360'	55'	End
St. Lawrence Metal and Marine Works Inc.	1	270'	61'	Marine Railway
	2	270'	61'	Marine Railway
	3	270'	61'	Marine Railway
	4	270'	61'	Marine Railway
<i>Atlantic Coast Area</i>				
Saint John Dry Dock Company Limited	1	350'	50'	End
	2	350'	50'	End
NOTE—Both berths can be increased in length to 450', in width to 70'.				
Halifax Shipyards Limited.....	1	450' (600')	65'	End
	2	450' (600')	60'	End
	3	430' (600')	60'	End

NOTE—Special arrangements could be made for larger vessels.

Pictou Foundry and Machinery Co. Four berths available in an emergency.

NOTE—Many of the existing ways can be extended if necessary to accommodate ocean-going dry-cargo vessels up to 18,000 tons deadweight and tankers up to 26,000 tons and upper lakers up to 650'0" in length.

TABLE X

Particulars of Drydocks and Marine Railways

G. Graving Dock
 F. Floating Dock
 M.R. Marine Railway

Shipyards	Type and Number	Lifting Capacity Tons	Length over all	Clear Width	Depth over Keel Blocks
<i>Pacific Coast Area</i>					
Yarrows Ltd.	M.R.	2,500	301'	55'	18'
Victoria Machinery Depot	M.R.	2,500	275'	53'	17'
NOTE—Federal Government Graving Dock (G.2) at Esquimalt used by both Yarrows and Victoria Machinery Depot.					
Burrard Dry Dock Co. Ltd.	M.R. F.	2,000 16,000	250' 556'6"	50' 98'	12' 27'
Pacific Dry Dock Co. Ltd.	F.1 F.2	12,000 2,000	480' 250'	84' 54'6"	
Prince Rupert Dry Dock	F.	20,000	600'	100'	
(2 sections 150 x 100 each 5,000 ton capacity) (1 section 300 x 100, 10,000 ton capacity)					
Federal Government, Esquimalt	G.1 G.2		450'6" 1,173'8"	65' 135'	28'8" 40'
<i>Great Lakes Area</i>					
Port Arthur Shipbuilding Co. Ltd.	G.		715'	98'	16'2"
Collingwood Shipyards Ltd.	G.1 G.2		518'4" 410'	59'8" 95'	13' 16'
Midland Shipyards Ltd.		None			
Port Weller Dry Docks Ltd.	G.1		625'	90'	26'
Canadian Shipbuilding and Engineering Ltd. (Kingston) (Leased from Federal Government)	G.1		375'	55'	16'
<i>St. Lawrence Area</i>					
Montreal Dry Docks Ltd.	G.1 G.2		430' 430'	44'8" 50'	12'3" 15'3"
(Size of vessel that can be docked is governed by locks in Lachine Canal, i.e., 262' max. length, 44' max. breadth).					
Canadian Vickers Ltd.	F.	25,000	600'	98'	27'6"
(Can be used in two sections, one 400', one 200').					
Marine Industries Limited	M.R.1 M.R.2	5,000 2,000	420' 250'	70' 60'	9'6" Fwd. 17' Aft. 12' Fwd. 19'3" Aft.
G. T. Davie and Sons Ltd.	M.R.	2,500	280'	72'	14'
Davie Shipbuilding and Repairing Co. Ltd.					
NOTE—Both Davie Shipbuilding and Repairing Co. and G. T. Davie and Sons Ltd., use Federal Government Graving Docks at Lauzon.					
Federal Government, Lauzon	G.1 G.2		1,150' 600'4"	120' 62'	40' 25'7"
St. Lawrence Metal and Marine Works Inc.	M.R.	2,000	280'	70'	15'

TABLE X—*Concluded**Particulars of Drydocks and Marine Railways—Concluded*

Shipyards	Type and Number	Lifting Capacity Tons	Length over all	Clear Width	Depth over Keel Blocks
<i>Atlantic Coast Area</i>					
Saint John Dry Dock Co. Ltd.	G.1		1,157'8"	131'6"	40'
Federal Government, Saint John.....	G.2		440'	60'	38'
Halifax Shipyards Ltd...	G.		572'	79'6"	30'
	F.	25,000	600'	100'	27'
	M.R.1	2,400	235'		13' Fwd. 18' Aft.
	M.R.2	1,200	200'		12' Fwd. 18' Aft.
	M.R.4A	150	97'		5' Fwd. 9' Aft.
	M.R.4B	100	100'		9'6" Fwd. 13' Aft.
	M.R.5	3,000	368'		13' Fwd. 18' Aft.
	M.R.6	3,000	370'		16'9" Fwd. 19'5" Aft.
Thompson Bros. Machinery Co. Ltd.	M.R.	1,400	195'	42'	12' Fwd. 18' Aft.
Pictou Foundry & Machinery Co. Ltd.	M.R.1	1,000	250'	50'	18' Fwd. 25' Aft.
	M.R.2	2,000	250'	50'	18' Fwd. 25' Aft.

TABLE XI

Particulars of Fitting-out Wharves

Shipyards	Length of Wharf		Depth of Water	
<i>Pacific Coast Area</i>				
Yarrows Ltd.....	“A” wharf	550'	22' to 29'	at
		300'	10' to 28'	low
	“B” wharf	360'	20' to 33'	tide
		360'	20' to 33'	
Victoria Machinery Depot.....	One	1,000'	31' to 42'	at
	Two	800'	30' to 36'	low
	Two	300'	22' to 28'	tide
Burrard Dry Dock Co. Ltd.....		140'	20'	average
		560'	35'	depth
		695'	35'	of
		435'	30'	water
		465'	30'	at
		*508'	35'	low
		*420'	30'	tide
Pacific Dry Dock Co. Ltd.....	Two	425'	25'	at low
		550'	25'	tide
Prince Rupert Dry Dock and Ship- yard		425'	14'	at low tide
<i>Great Lakes Area</i>				
Port Arthur Shipbuilding Co. Ltd...		1,250'	16'	
Collingwood Shipyards Ltd.....		260'	16'	
No. 2 Drydock used when fitting out a large vessel.				
Midland Shipyards Ltd.....		750'	24'	
Port Weller Dry Docks Ltd.....	Basin No. 1	Welland Ship		
	Canal		10' to 27'	
Canadian Shipbuilding and Engineer- ing Ltd. (Kingston)		400'	6' to 25'	
		210'	25' to 30'	

*Available in an emergency.

TABLE XI—*Concluded**Particulars of Fitting-out Wharves—Concluded*

Shipyards	Length of Wharf		Depth of Water	
<i>St. Lawrence Area</i>				
Montreal Dry Docks Ltd.....		200'	14'	
Canadian Vickers Ltd.....		1,030'	32'	
		250'	32'	
Marine Industries Ltd.....	Three	600'	20'	
		275'	20'	
Davie Shipbuilding and Repairing Co. Ltd.		440'	20'	at low tide
		480'	20'	
		520'	20'	
	Two	600'	20'	
G. T. Davie and Sons Ltd.....		none		
	(Fitting out wharves available adjacent to yard)			
<i>Atlantic Coast Area</i>				
Saint John Dry Dock Co. Ltd.....		725'	32'	at low tide
		350'	32'	
		450'	25'	
Halifax Shipyards Ltd.....		312'	29'	at low tide
		400'	31'	
		350'	26'	
		1,156'	21'	
		100'	19'	
Thompson Bros. Machinery Co. Ltd.	One	600'	18'	at low tide
Pictou Foundry and Machinery Co.	Two	600'	24'	at low tide

(d) Cost of the construction, repair and reconditioning of vessels in Canada and other countries.

Owners in Canada as elsewhere in the world have much to say upon the subject of the cost of building new tonnage at the present time, and they are quite frankly supported by the shipbuilder who readily pleads that prices are not under his control and that he is equally anxious to reduce them.

Although there is some diversity of opinion about the exact difference between Canadian and foreign shipbuilding costs, there is no doubt that Canadian prices are higher than those of our principal European competitors, but generally somewhat lower than prices in the United States. While the Commission has been able to obtain a certain amount of reliable data on costs in the United Kingdom and Canada, considerable difficulties have been encountered in trying to obtain similar cost data in foreign shipbuilding countries.

A comparison between a contract price submitted by a British or foreign shipbuilder and that of a domestic shipbuilder is not necessarily indicative of a true cost differential as the Canadian yard making the quotation may be a high cost yard while the British or foreign yard may be a low cost yard. Moreover, one of these yards may specialize in building the type of ship in question, thus being able to give a lower price. Add to this the fact that even

though the tender prices can be examined, there is a natural competitive reluctance on the part of shipbuilders everywhere to disclose the detail of their estimates. Furthermore, in the final analysis the ship is built in one yard only. No opportunity presents itself for a comparison of actual building costs as it is a widespread practice to-day not to quote a firm price but rather to quote an estimated price for instalment payment purposes which amount includes a fixed sum for overhead and profit, the final price of the vessel being the actual cost of materials and labour plus a stated sum for overhead and profit. The Commission's experience thus far in endeavouring to arrive at the exact differential in cost between Canadian and foreign-built ships shows that at best only a rough approximation can be determined.

Our investigations and studies of estimates of comparative costs of building similar ships in Canada and Great Britain indicate the price of the latter to be about 25 per cent less than the Canadian price depending on the size, speed and type of vessel and based on main propelling machinery and other components being purchased by the Canadian shipbuilder in the cheapest market. If the ship is built entirely in Canada, that is including its machinery and components, a much larger differential in price would have to be considered. Analysis of cost formula would indicate that on the assumption of equal efficiency of men and machinery in the two countries, the comparative cost of a ship built in Britain would be 45 to 50 per cent less than the price of a similar all Canadian built ship.

The principal factor contributing to the differential in prices is wage rates. An analysis of detailed estimates made in Canada and Great Britain for almost similar ships indicates that there is very little difference in the total number of direct labour man-hours required to build the vessels. There is, however, a marked difference in average hourly wage rates in the principal shipyards trades as between the two countries. After taking into account the three prime systems on which British shipyard workers are paid, namely, piecework, lieu-work and payment by results, and comparing the hourly earnings with those obtaining in Canada we have arrived at a comparative average hourly rate of 70 cents per hour in the United Kingdom as compared to \$1.10 per hour in Canadian yards. When it is considered that subject to reasonable variations the proportion of direct shipyard labour expressed as a percentage of the selling price of a ship is between 25 per cent and 30 per cent, it is obvious that wages play an important part in the differential in shipbuilding costs. Similarly, materials and fixed charges are somewhat higher in Canada than in Britain and other European countries due in part to the standard of living obtaining in this country. The Commission is continuing its studies of the cost of construction and repair of

vessels in Canada and other countries. As conditions in the ship-building industry throughout the world return to normal it is expected that more accurate cost data will become available.

- (e) The cost of marine insurance, maintenance, repairs, wages and subsistence of officers and crews, and all other items of expense in the operation of vessels under Canadian registry and the comparison thereof with similar vessels under other registry.

The daily operating costs for similar standard type vessels belonging to the principal maritime nations are shown in Table XII. These costs are of necessity approximations gathered from a number of sources, and are subject to constant fluctuation. We have been compelled to take averages and in some cases there has been a fairly wide disparity in the figures which we have examined. A further complication arises in converting foreign currency to dollars due to varying rates of exchange within individual countries. For the purposes of comparison however we believe that the figures shown in Table XII are reasonably accurate. Table XIII shows the basic monthly wage rates payable in similar vessels operated under various flags. The figures contained in this table are based on statistics compiled by the American Merchant Marine Institute.

Both tables speak for themselves and do not require further comment by us except to point out that Canadian operating costs are the second highest in the world. They are approximately 54 per cent higher than British costs and only 17 per cent lower than American costs. The resulting problem is a serious one because international shipping is a highly competitive business in which earnings in the form of freights are fixed by international competition and cannot be adjusted to offset the higher operating costs of Canadian ships.

TABLE XII
Comparison of Estimated Daily Operating Costs for 10,000-Ton Deadweight Standard War-Built Vessels
(excluding fuel oil and depreciation)

(Averages for year 1948)

(Based on Official Exchange Rates in effect March 31, 1949)

Vessel Expenses	United States	Canada	Panama*	France	Greece	United Kingdom	Norway	Netherlands	Italy
Wages, Allowances, etc.....	\$392.66	\$308.30	\$199.89	\$215.22	\$228.60	\$150.15	\$146.29	\$194.11	\$122.42
Overtime.....	102.21	37.20	43.73	8.72	8.00	21.41	11.73	14.17	11.55
Total Wage Cost.....	494.87	345.50	243.62	223.94	236.60	171.56	158.02	208.28	133.97
Subsistence.....	76.00	65.00	63.25	57.92	60.00	46.50	60.78	45.25	48.48
Stores and Supplies.....	66.00	77.00	65.00	77.22	40.00	60.20	65.55	30.20	40.90
Repairs and Maintenance.....	137.00	155.00	86.38	83.11	35.00	94.00	71.38	73.15	34.57
Insurance..... (excl. Surveys)	118.65	113.00	121.50	124.30	124.30	101.70	105.95	105.95	124.30
Sundries.....	20.00	10.00	31.00	15.44	15.50	12.50	15.00	5.75	23.12
Management.....	60.00	45.00	50.00	30.89	25.00	39.00	30.00	13.60	16.37
	\$972.52	\$810.50	\$660.75	\$612.82	\$536.40	\$525.46	\$506.68	\$482.18	\$421.71

*While figures for Panamanian vessels are assembled from sources which we believe to be reliable, there is a considerable difference in the figures furnished by individual operators depending upon the nationality of the crew involved.

TABLE XIII
Comparison of Basic Monthly Wage Scales for 10,000-Ton Deadweight Standard War-Built Vessels

Officers:	(1) United States	(2) Canada	(3) Brazil	(4) Sweden	(5) United Kingdom	(6) Argentina	(7) Norway	(8) Denmark	(9) Greece	(10) France	(11) Italy
Master	\$687.39	\$475.00	\$283.92	\$264.95	\$165.23	\$447.93	\$262.08	\$254.64	\$207.04	\$247.81	\$70.65
Chief Officer	427.11	320.00	212.94	186.46	\$165.23	297.25	148.58	160.00	88.66	144.38	54.57
2nd Officer	373.86	280.00	191.10	143.32	132.99	205.00	116.53	133.71	72.54	109.98	47.43
3rd Officer	343.10	235.00	147.42	118.28	106.80	164.00	94.35	95.96	72.54	88.92	44.35
Chief Engineer	647.65	415.00	256.62	236.56	189.41	389.50	164.10	195.88	108.81	223.12	64.23
1st Assistant Engineer	433.77	320.00	202.02	173.94	165.23	297.25	128.82	150.44	88.66	141.22	54.57
2nd Assistant Engineer	379.69	280.00	158.34	132.19	132.99	205.00	113.70	119.32	72.54	109.98	47.43
3rd Assistant Engineer	348.45	235.00		109.93	106.80	164.00	96.57	101.80	72.54	105.77	44.35
Radio Operator	323.51	260.00	147.42	129.41	102.77	194.75	94.75	81.56	84.63	117.59	47.43
Cadet	82.50						48.18		Deck Engine	35.80 38.26	
<i>Unlicensed Personnel</i>											
<i>Deck Department</i>											
Boatswain	288.94	180.00	131.04	93.23	92.69	96.35	78.22		50.38	45.94	34.54
Boatswain's Mate	254.02				84.63						
Carpenter	258.54	185.00	131.04	89.06	100.75	96.20		68.94	48.36	45.94	
Able Seaman	226.01	170.00	87.36	86.27	80.60	78.93	74.59	46.67	44.33	39.78	31.41
Ordinary Seaman	193.47	150.00	76.44	54.27	60.45		57.46	34.42		35.69	22.38
Quartermaster	226.01				82.61						
Deckboy		140.00	65.52		28.21		26.21	15.85			14.97
<i>Engine Department</i>											
Electrician	364.43		131.04		130.98	119.93	102.01				34.02
Junior Engineer	258.54										32.35
Oiler	226.01	175.00	92.82	87.66	92.69	84.05	58.67	64.67	48.36	45.94	32.40
Watertender	226.01				84.63						
Fireman	214.18	170.00	87.36		84.63		76.00	71.55	46.35	41.30	32.40
Fireman/Watertender	226.01										
Wiper	223.05	165.00	70.98		80.60	75.85					30.94
Donkeyman		180.00		89.06	88.66		78.22		50.38	39.78	
Engineboy							26.21				

Steward's Department

Chief Steward.....	\$281.75	\$170.00	\$212.94	\$102.97	\$108.81		\$114.51	\$89.28	\$50.38	\$45.75	\$31.51
Second Steward.....											
Chief Cook.....	258.54	200.00	87.36	100.19	100.75	\$105.58	88.70	76.14	58.44	45.75	32.03
2nd Cook/Baker.....	234.88	170.00	70.98	97.41	82.61	89.18	59.27	46.10	30.23		31.41
Assistant Cook.....	223.05				78.58	80.98		46.10		39.78	
Utilityman.....	193.47					72.78					
Messman.....	193.47	160.00	65.52	44.80						35.69	30.26
Messboy.....		140.00	65.52		36.27		34.67	17.94			23.53

(1) In effect in 1948.

(2) In effect March 31, 1949. Figures are in Canadian dollars.

(3) In effect in 1948—Rate of exchange, 1 cruzeiro = 5.46 cents—December 21, 1948, *New York Times*.

(4) In effect in 1948—Rate of exchange—Official rate as used by U.S. Customs for import evaluation as of Mid-November, 1948.

(5) In effect May, 1948—Rate of exchange, \$4.03 per pound—December 2, 1948, *New York Times* (Rate under International Monetary Fund).(6) In effect in 1948—Rate of exchange, 1 peso = 20.5 cents—January 31, 1949, *New York Times*.

(7) Effective March, 1947, and still in effect. Rate of exchange—Official rate as used by U.S. Customs for import evaluation as of Mid-November, 1948.

(8) Effective April 4, 1947, and expires April 4, 1949. Rate of exchange—Official rate as used by U.S. Customs for import evaluation as of Mid-November, 1948.

(9) Effective November, 1946, and still in effect. Rate of exchange—Official rate as used by U.S. Customs for import evaluation as of Mid-November, 1948.

(10) Effective August, 1948—Rate of exchange—Franc Rate as of August, 1948, converted.

(11) Effective June 1, 1948—Rate of exchange—575 lire = 1 dollar—February, 1949, *New York Times*.

VI. Result of Investigations

During the past year we have considered a number of arguments both for and against the maintenance of the Canadian shipping and shipbuilding industries. A wide variety of opinions has been expressed, ranging from those in favour of increasing our present fleet and shipbuilding facilities to those advocating the abandonment of both industries in Canada. These arguments have presented themselves to us not only in the course of our own investigations, but have also been addressed to us in briefs presented by various interested organizations and have also arisen during discussions with our advisory committees.

Case for Abandonment

The case for the abandonment of Canadian flag shipping rests on the thesis that the nation or nations which can give the best service at the lowest cost should conduct the carrying trades. Canada is primarily interested in selling her products abroad and it is immaterial under what flag those products are carried. The cost of operating a Canadian flag ship is the second highest in the world. The average daily operating cost, excluding fuel and depreciation, of a standard 10,000-ton Canadian deep-sea ship is \$810.50 as compared to \$525.46 in respect of a similar vessel of United Kingdom registry. The industry is disorganized by constant labour troubles both of a major and minor nature. If Canadian ships cannot compete in the international market, the business of shipowning should not be encouraged in this country. Moreover the present inconvertibility of foreign currencies poses major problems in securing cargoes and in the payment of freights. The volume of our export trade depends upon the ability of our customers to pay for what they buy. Many of these rely upon their own shipping services to earn some of the dollars necessary to buy Canadian goods. If they spend their dollars to defray the costs of carriage by Canadian flag vessels, the effect will be to reduce the purchases of our surplus products.

Similar arguments are advanced to support the proposition that a shipbuilding industry is unnecessary in this country. The average hourly wages in Canadian shipyards are 57 per cent higher than in British yards. As we have pointed out it is difficult to obtain accurate comparative costs of shipbuilding, but it is reasonably safe to say that an average ship can be produced in the United Kingdom at 25 per cent less than the Canadian cost. If the propulsion machinery and components are manufactured in Canada the differential is still greater. This fact does not reflect upon the ability of Canadian shipbuilders nor upon the efficiency of Canadian shipyard labour but

arises from the high wage rate structure in Canada and our comparatively high standard of living. Nevertheless it is again argued that if Canadian shipbuilding is uncompetitive in the world market, it is uneconomic to encourage its existence. Shipbuilding as a major industry, in contrast to ship repairing, came into existence because of war conditions. As an aftermath of the war it has succeeded in maintaining itself to a limited extent by foreign orders which have come to Canada because of the volume of work in European yards occasioned by replacement of war losses. When this condition subsides, Canadian shipyards, if they are to subsist at all, must depend mainly on domestic orders. Those who argue against the maintenance of the industry in Canada question the wisdom of trying to keep the industry in being when ships required by Canadian owners can be purchased more cheaply abroad. If Canada is to continue to export to the sterling area, everything possible must be done to balance the trade by encouraging sterling imports. Shipbuilding is one of the most important industries in the United Kingdom; it is therefore advisable to fill our shipbuilding requirements in that country.

The theoretical strength and validity of these arguments must be admitted. It may be observed, however, that they apply with equal force to the United States and the logical result of their application would be the elimination of shipping and shipbuilding facilities on this continent. Such a conclusion could scarcely be said to be practical in the light of present-day circumstances. If it had not been for American shipping and shipbuilding the bridge of ships across the Atlantic in the last war would not have been possible or at least would not have been constructed in time. The arguments which have been advanced must be examined in the light of practical qualifications, the most important of which appears to be that of national security. Before dealing with this aspect, however, the arguments in favour of expansion should be mentioned.

Case for Expansion

Canada today is the largest trading nation in the world on a per capita basis, and her prosperity is vitally dependent upon foreign trade. During 1948 one-fifth of our gross national product was exported, representing \$242 per capita compared with \$132 per capita exported by the United Kingdom. Excluding trade with Newfoundland and the United States, the physical volume of Canadian seaborne exports during 1947 amounted to 13,161,000 tons, of which Canadian flag ships carried only 18.3 per cent. During 1948 the volume of our exports fell to 10,975,000 tons and our flag participation to 17.3 per cent. (Of our total imports from overseas during 1947, excluding petroleum, Canadian ships carried only 28.1 per cent, and in 1948 only 19.6 per cent).

It has been urged that the magnitude of our export trade justifies the proposition that 50 per cent thereof should be carried in Canadian flag ships and we are referred to the provisions of the United States Foreign Assistance Act whereby 50 per cent of American exports purchased under that Act must be carried in American bottoms. The shipping circumstances arising under the Foreign Assistance Act are of course readily distinguishable, as purchases under the provisions of that Act are made with funds rendered available by the people of the United States and in no sense can be described as normal commercial transactions. The protagonists of a large Canadian deep-sea merchant fleet do not hesitate to advocate the large subsidies which would inevitably be required. They argue the value of "showing the flag" in support of the theory that a large fleet will promote trade.

The argument that showing the national flag in every part of the world tends to promote trade undoubtedly had some force during periods of expansion in the nineteenth century and at the beginning of this century, but we question its effect to-day in face of other advertising media. There is no doubt that trade is promoted by fast direct services between Canada and foreign countries, but, according to a survey made for us by the Foreign Trade Service of the Department of Trade and Commerce, there is a difference of opinion as to the trade value to be attached to the use of national flag shipping. On the whole, ship users appear to be more interested in the quality of the service than the nature of the flag.

We believe that Canada should participate to some extent in the carriage of commodities which are essential to her economy and that some vessels should be under her control in the event of shipping being in short supply. We cannot, however, recommend a policy similar to that adopted in the United States under the Foreign Assistance Act for the transportation of Canadian exports. We feel that such a course would be discriminatory and would tend to curtail trade with some of our overseas customers who are amply equipped to carry their own imports without having to find additional dollars to pay for their carriage.

Reasons for Maintenance

In our opinion the justification of the Canadian shipping and shipbuilding industries must finally rest upon the grounds of national security. It is suggested that Canada may look to the United Kingdom and to the United States for a supply of ships during an emergency. It appears to us that Canada has reached a stage in her development when she should no longer be entirely dependent upon others for her security. Moreover, as a result of sinkings in the 1914-18 war it was found necessary to revive the shipbuilding industry and to build ships in Canada. A similar situation arose in the

1939-45 war when it became urgent at the outset that ships should be built in Canada as fast as possible and be manned by Canadian crews. As a result of war necessity Canada became possessed of a fleet and a shipbuilding industry each of which in the year 1946 ranked fourth in the world. As we have previously mentioned, both industries fell to pieces after the 1914-18 war. The question is whether it is advisable to treat these industries in Canada in the same way as munition plants to be hastily constructed in time of emergency and to be dismantled after the danger is past.

On two occasions Canada has succeeded at considerable cost in rebuilding both industries, and physically it might be possible to do so again. The main argument against the disestablishment of the two industries lies in the loss of trained seamen and skilled artisans. This is especially true in the case of the shipyards where a body of highly trained technicians and artisans now exists. The danger of time-lag must be recognized. It not only takes time to create facilities but also to assemble trained workmen with the necessary skills and it is possible that such time may not be available in another emergency.

We have carefully considered the arguments for and against maintaining the Canadian industries of shipping and shipbuilding in the light of what has taken place in the past. Taking all factors into consideration we have come to the conclusion that it is advisable to maintain a nucleus of both industries so that they will be capable of rapid expansion in time of need.

Although we base these conclusions on grounds of national security, this does not mean that the maintenance of the industries will necessarily result in economic loss to Canada. We believe that there are advantages to be gained through the maintenance of a small efficient ocean-going merchant fleet, and there is employment to be given both afloat and ashore. The craft of shipbuilding is allied with that of ship repair, and repair facilities must be maintained in the interests of our peacetime trade. If the industries are to be maintained on a nucleus basis it is necessary to determine the minimum level at which they can be usefully operated. For this purpose it is desirable to deal with the two industries separately.

Nucleus of Shipbuilding

During its period of greatest activity in the second world war the Canadian shipbuilding industry employed 75,000 persons. At the beginning of 1948 there were still 15,000 men employed in the major shipyards, but by March 31st, 1949, this number had fallen to 11,400. During 1947 these shipyards delivered forty-two steel merchant ships of 82,000 gross tons, and during 1948 eighty-seven such ships of 154,248 gross tons. Had there been an adequate supply of shipbuilding plate a considerable number of the ships

delivered during 1948 would have been completed in the previous year. During this two-year period shipyard production averaged sixty-five merchant ships of 118,124 gross tons per annum. (See Table VI). By the end of June 1949, it is estimated that the level of employment in the steel shipbuilding industry will have fallen to about 9,000 men.

In view of the geographic vulnerability of the shipbuilding and ship repairing industries in the United Kingdom and Continental Europe in the event of another war, it appears to be the part of wisdom to maintain a nucleus of strategically placed shipyards in Canada capable of expansion in emergency to meet the national shipbuilding defence requirements. These yards should continue in the production of sea-going ships so as to maintain fully integrated organizations of design and technical forces, yard personnel and facilities. The level of the industry is steadily dropping in Canada, and unless positive steps are taken it is likely to continue to decline.

With this in mind we have endeavoured to determine the minimum operating level below which the industry should not be allowed to fall. This must of course be a matter of estimate but translating the information we have obtained into manpower and dollar volume of business we have reached the conclusion that the average monthly employment in the shipbuilding and ship repairing industry should not fall below 7,000 men of whom roughly one-half would normally be engaged in ship repairs and conversion and that the dollar volume of new construction based on present-day costs should amount to approximately \$28,000,000 per annum.

An analysis of the records of the shipbuilding and ship repairing industries in Canada for the ten-year period prior to 1939 shows that average monthly employment was 3,478 men. During that period the average yearly gross tonnage of new shipbuilding delivered, other than tugs, barges and small craft under 150 feet, amounted to only 3,725 gross tons. For the purpose of this report it may therefore be assumed that in the future 3,500 men can be maintained in the shipyards on repairs and conversions alone. The remaining 3,500 men employed on new construction would represent approximately 7,000,000 man hours of direct shipyard labour per annum. Expressing direct labour as 25 per cent to 30 per cent of the selling price of a ship, depending on the gross tonnage and type of vessel built, and taking the average hourly wage rate of the shipyard worker as \$1.10, it follows that the annual dollar volume of new construction necessary to maintain 3,500 men would be close to \$28,000,000. It would therefore appear that the shipbuilding industry must find \$28,000,000 worth of new building annually to preserve the required nucleus of skilled labour, although two-thirds of this amount would be spent outside the shipyards in purchasing machinery, components, equipment and materials. There are three sources of such revenue,

building for domestic order, including deep-sea, lake and coastal, building for foreign order, and building of naval and departmental vessels for government service.

To assist in the preservation of a nucleus of employment in the shipyards, a plan of co-ordination of government shipbuilding has been adopted. A number of vessels are owned and operated by government departments including the Department of National Defence. A considerable amount of new building is required from time to time and all government building is now being planned so that orders for building of required government vessels can be placed at such time when no other building is available and so that employment can be maintained in the shipyards at least on a minimum basis. It is obvious that all Canadian shipyards cannot be assisted by this means and it will without doubt become advisable at times to have work assigned on a negotiated price basis to certain of the shipyards which should be maintained for employment and security reasons. The Commission has been charged with this duty of co-ordinating government shipbuilding requirements and making recommendations in regard to the placing of orders.

Nucleus of Shipping

It is not easy to determine the number of ocean-going vessels which should be maintained under the Canadian flag in the national interests.

Before the 1939-45 war Canada had practically no deep-sea shipping. Apart from a few tankers, merchant shipbuilding in Canada during the war was confined to production of dry-cargo vessels of standardized types. These ships were not produced with post-war operation in mind nor with the view of preparing a Canadian merchant fleet to meet international competition after the war. They were built to meet the exigencies of war and, in fact, if Canada had endeavoured to build specialized vessels the war effort would have been dangerously delayed.

Following the recommendations of the Merchant Shipping Policy Committee the Government disposed of its war-time built fleet to private operators. In passing it should be noted that when final settlement is made in respect of the operation and sale of these vessels built by the Government during the last war which were placed under the management of the Crown-owned Park Steamship Company, the Government will have recovered approximately \$200,000,000 out of a total expenditure of \$270,090,796. In view of the fact that these vessels were in a sense plants built for the purpose of waging war, the amount recovered from their operation and disposition represents a very creditable saving to the Canadian taxpayer.

At the beginning of 1948 there were 215 dry-cargo vessels totaling 2,080,066 deadweight tons which had been built by the Government during the war, operated on its behalf by the Park Company or chartered to the United Kingdom, and sold to private Canadian operators. This figure includes 20 vessels which were delivered to their new owners during the year 1948 and 58 vessels, at present on United Kingdom registry, which have been sold to Canadian companies and will be handed over to them during 1950 upon release by the British Ministry of Transport under the terms of the bareboat charter.

When the Commission was established late in 1947 it was evident that a fleet of this size could not be economically maintained under the Canadian flag, even though it was being profitably employed at that time. It was apparent that the world would shortly become over-tonnaged, in view of the building programmes of other countries which were urgently replacing their wartime shipping losses with modern tonnage. Canada's experience after the 1914-18 war showed that merchant vessels designed for use in time of war were inadequate to compete with post-war tonnage. We also realized that currency difficulties would become more acute and that dollar shortages would render European buyers either unwilling or unable to pay dollar freights without which our vessels cannot be operated. It appeared inevitable that currency difficulties would produce restrictive trade practices by foreign nations which the Canadian Government, with the best will in the world to maintain a Canadian flag fleet, could not overcome. It was evident that the freight market was bound to decline. We were also faced with the higher cost of Canadian operation and we saw that the cost factor was causing the laying up of United States tonnage. Therefore a replacement plan was adopted to which further reference will be made.

Our forecasts have unfortunately proved to be correct. Freight rates have declined by an average of almost 20 per cent since January 1948, and Canadian owners are now operating on a very narrow margin if they are not suffering actual losses. As we have mentioned, Canadian shipping is not assisted by the volume of cargoes produced by the Marshall plan. Moreover, when shipments under this plan cease, we believe there will be a further decline both in ocean freight rates and in cargoes available for world shipping. In the meantime other nations are continuing to build fast modern vessels. We do not see any immediate solution to the currency problem and as long as this condition exists Canadian owners, restricted to dollar freights, will continue to be at a disadvantage.

At the existing level of world freight rates the present Canadian ships can with difficulty meet their operating expenses, but any further fall in rates will mean that expenditures will exceed revenues. Foreign shipowners with their lower operating costs will still be able

to remain in business. The only method whereby the Canadian flag fleet consisting of its present high cost units could be maintained at its 1948 size in competition with foreign fleets would be by the provision of operating subsidies, and we estimate that by the time rates have declined to the lowest level at which our chief competitors can operate, subsidies of more than \$20 million per annum would have to be provided. But even subsidies will not produce cargoes and in a buyers' market the seller cannot control shipping arrangements.

It appears to us that in the next few years Canada's chief problem will be to dispose of her exportable surpluses. It is not possible or advisable to force overseas buyers to ship in Canadian bottoms if they have not dollars to pay in freights. It is therefore obvious that the Canadian flag fleet must be drastically reduced. We believe, however, that with the advantage of trade routes developed during and since the war and under normal conditions the Canadian shipping industry has a reasonable opportunity of continuing in existence with a comparatively small well-balanced fleet composed of modern fast ships suitable for the trades in which they are employed.

At this stage it is desirable to refer in some detail to the replacement plan which came into effect on February 25th, 1948. After the war the Government had sold the vessels formerly operated by the Park Company under the terms of a standard sales agreement which came to be known as the "Park formula". The vessels were sold at reasonable prices and on favourable terms to private Canadian operators pursuant to an express government policy of creating a merchant fleet under the Canadian flag. The agreement provides that owners may not apply for permission to transfer vessels from Canadian registry without the consent of the Government.

While the formula thus laid the foundation of a Canadian flag fleet, it was obvious that a further step was required to be taken to enable such a fleet to become competitive in world trade. It was composed of war-built vessels of a standard type, many of which were unsuitable for the trades in which they were to be employed. They had been profitable to operate during the period of high freights but at the beginning of 1948 a decline in the freight market appeared to be unavoidable. They were and are slower than ships being built by foreign operators and more costly to operate. They were rapidly becoming uncompetitive with foreign vessels and it was reasonably certain that they would become unprofitable to operate when freights declined and would be unable to obtain cargoes by reason of soft currency restrictions. There was no market for their sale in Canada and if permission were not granted for sale abroad the Canadian flag fleet would remain static and eventually die of obsolescence. It seemed to us better to permit the sale of ships which could not be profitably operated under the Canadian flag rather than to have

them laid up when they would only be a drain upon the owners' resources and would afford no employment to Canadian crews. The experience of the Canadian Government Merchant Marine stood as an example of the error of attempting to operate a fleet of vessels built for war purposes without plans for more modern and efficient equipment.

This does not mean to say that the Canadian fleet at the beginning of 1948 was uncompetitive at the freight rates then obtaining. The vessels were at that time fully employed, but it appeared to us advisable to lay plans immediately for the modernization of the Canadian merchant fleet if it were to survive. For that reason, in the spring of 1948, the replacement plan which is outlined in our first report was adopted by the Government. The object of the plan is to reduce and modernize the Canadian flag fleet.

Under this plan any owner who desires to sell a vessel abroad applies to the Commission for permission to do so. If the Commission is of the opinion that the sale is advisable, it recommends that permission be given and that the flag of the vessel be transferred. In arriving at this decision, the Commission gives consideration to the owners' plans of replacement, the effect of the sale upon existing trade routes, and other relevant factors. It is not in all cases that permission is granted as the process of modernizing the fleet should be gradual and some of the former Park vessels may still be usefully and profitably employed for the time being in the bulk-carrying trades.

In consideration of permission to sell, the owner enters into an agreement with the Government to use the proceeds of sale for purposes of replacement within a period of five years with discretion to the Commission to extend the term for a further two years in special circumstances. In view of the cost of a new vessel it is not possible for him to replace each old vessel with a new one nor is it desirable to do so having regard to what has been said concerning the reduction in size of the Canadian flag fleet. It is possible that an owner may require a vessel of an altogether different type or he may desire to use the funds for purposes of conversion. The funds, however, must be used for the purpose of replacement or modernization of Canadian shipping, and for the acquisition of vessels which are economic to operate.

As of March 31st, 1949, foreign sales of thirty-six Canadian vessels had been approved under this plan at a gross sales price of \$23,119,250.00. Out of this fund the sum of \$3,372,669.83 had been advanced to owners by way of loans to enable them to discharge obligations such as mortgages due to the Crown. These advances are repayable to the escrow account, which is in effect a compulsory building reserve. The vessels approved for sale included thirty-one 10,000-tonners, and five 4,700-tonners.

It is difficult to forecast our shipping needs which would become immediate in time of war. However, from the point of view of national security we estimate that a deep-sea merchant dry cargo and tanker fleet of about 750,000 deadweight tons would be sufficient for the carriage of essential cargoes in the early stages of an emergency and to act as auxiliaries for the Defence Services. A merchant fleet of this size, containing a proportion of modern and efficient vessels, should be able to secure profitable employment under normal conditions in time of peace, and still be adequate for the purpose of carrying our essential imports in time of war.

A short summary of the policies presently adopted by other countries to assist their national shipping and shipbuilding industries is appended to this report (Appendix A). If it is considered advisable to maintain the shipping and shipbuilding industries in Canada it is clear that they will require government aid. Neither the manner nor the extent of such aid is properly the subject matter of discussion in this report, but it should be pointed out that no amount of government assistance will effectively aid the shipping industry unless a solution is found in respect of its currency difficulties and unless its labour problems are resolved.

Cargoes are frequently offered with freights payable in sterling or other non-dollar currencies, thus excluding Canadian vessels from participation. Foreign importers are induced by their own governments in various ways such as currency restrictions to use their own national shipping. In various trades Canadian vessels are excluded by the operation of regulations providing for the carriage of cargoes by either U.S. vessels or vessels of recipient countries under the Marshall plan. The Commission has from time to time been able to secure some measure of relief for Canadian shipping by means of informal arrangements with shipping authorities of other countries, but, shipping being an international business, it does not appear to us that the Canadian industry can be placed on a sound economic basis unless definite arrangements are made on an international level in regard to payment of freights.

Except in so far as the cost of operation of Canadian vessels is concerned, it is not within the scope of our jurisdiction under the Act to enquire into the cause of the deplorable state of management-labour relations which has existed in the Canadian shipping industry for a number of years. We cannot, however, overlook the numerous instances of work stoppages, breaches of discipline and general lack of co-operation which have come to our attention, and which materially increase the day-to-day costs of running Canadian ships. Further, it is impossible to operate Canadian ships in international competition if the shipper of goods does not know when his cargoes will reach their destination.

The recent strike of Canadian seamen, which has reached major proportions, will do inestimable harm to Canadian shipping, besides imposing severe losses on all concerned. We believe that the Canadian seaman when left to his own resources is as efficient as seamen from other countries. His wages compare reasonably with shore labour in Canada, especially when it is considered that he receives his keep in addition to his basic pay and overtime. In the present dispute with owners there is no real disagreement on either wages or working conditions, the difficulty being the degree of control to be exercised by the Union in connection with hiring.

It is questionable whether regulations governing labour-management relations ashore can be applied to the same relations at sea. In the first place there is no position in shore industry comparable to that of a master of a ship. Of necessity a master must be invested with authority, disciplinary and otherwise, for the sake of the safety of the ship, its cargo, passengers and crew. He must assume the responsibility for the efficient operation of his ship. Under the Canada Shipping Act numerous safeguards are provided for the welfare of seamen. Once a seaman has signed articles he cannot be discharged in the same manner as a shore labourer, but remains the responsibility of the operator until he returns to his home port. On the other hand, men employed at sea are compelled to live as one family for comparatively long periods of time, and there is greater opportunity of friction than in an industrial plant.

The system whereby owners and the union make an agreement governing wages and working conditions for one year allows grievances to be built up on both sides over that period, so that negotiations for the renewal of the annual agreement usually commence in an atmosphere of mutual hostility and distrust. In our opinion many of the difficulties could be overcome by the establishment of a National Maritime Board, representative of both employers and seamen, similar to the National Maritime Board in the United Kingdom, which provides in effect for continuous negotiation of wages and working conditions at any time and whereby grievances can be quickly dealt with through the operation of port panels.

It has been said that much of the difficulty in Canadian ships arises from lack of training and experience on the part of operators, officers and men, and it is true that there are not the same training facilities in Canada as exist in other countries. Since labour relations and training of officers and seamen form the responsibility of several independent departments of government, we feel that it would be advantageous to have the whole question examined by the departments concerned with a view to a general inquiry into these subjects.

The commission has received material assistance from its advisory committees in discussing many of the technical matters

mentioned in this report. A list of the Committees and panels will be found in Appendix B. A meeting of the general Advisory Committee was convened for a three-day session at Ottawa during the year and there have been numerous meetings with the special committees upon matters affecting their particular spheres of interest. All members of the advisory committees serve without remuneration and have given freely of their time. The co-operation of the members of these committees has enabled the Commission to secure a practical view of the problems with which the shipping and shipbuilding industries are faced.

VII. General Administrative Duties

1. *Steamship Subventions*

Inland, coastal and ocean mail subsidies and steamship subventions, which had been administered by the Department of Trade and Commerce since its inception in 1892, were transferred to the Canadian Maritime Commission on its establishment on November 1st, 1947.

During the fiscal year 1948-49, thirty-four coastal and inland services were subsidized, three on the West Coast, two on the Great Lakes, and twenty-nine on the East Coast, including the Gulf of St. Lawrence. These services provided for the regular transportation of passengers, freight and mails to outlying and isolated districts and for the carriage of their products to domestic markets or to ocean ports for export, all of which are essential to the communities served and to the public need.

During the year all services were surveyed and inspected. The Commission held fifteen hearings in respect of applications for increased subsidies and one for the inauguration of a new service. As in previous years special investigations and audits were made when necessary. The subsidies paid during the year amounted to \$2,035,139.99, representing a reduction of \$205,775.38 from the previous year's total of \$2,240,915.37. Table XIV shows the provincial and interprovincial distribution of subsidy payments.

TABLE XIV

Statistics of Steamship Subventions for the Year Ending March 31st, 1949

SUBSIDIZED COASTAL SERVICES

Interprovincial Services

Between Quebec, Prince Edward Island and Nova Scotia..	\$ 88,000.00
Between Nova Scotia and Prince Edward Island.....	127,500.00
Between Nova Scotia and New Brunswick.....	41,500.00
Between New Brunswick and Quebec.....	12,000.00

Provincial Services

British Columbia.....	458,000.00
New Brunswick.....	90,333.33
Nova Scotia.....	268,306.66
Ontario.....	76,000.00
Prince Edward Island.....	54,000.00
Quebec.....	819,500.00

Total.....	\$2,035,139.99
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TABLE XIV—*Concluded*

Statistics of Steamship Subventions for the Year Ending March 31st, 1949
Concluded

SUBSIDIZED COASTAL SERVICES

Outward		1947	1948
Passengers.....	No.	209,547	180,091
Freight.....	Tons	165,241	121,773
Inward			
Passengers.....	No.	214,551	175,426
Freight.....	Tons	106,909	83,246
Total Passengers.....	No.	424,098	355,517
Total Freight.....	Tons	272,150	205,019

2. *Traffic Services*

The Commission has kept in close touch with Canadian shipping companies and numerous meetings have been held with the individual shipowners to deal with specific problems. The Commission also maintains communication with shipping authorities of other nations for the purpose of assisting the Canadian industry in the international field.

During the past year a more efficient compilation and analysis of the relative statistical material has been achieved through surveys of the Canadian shipping and shipbuilding industries. Records of shipping services, cargo movements and trade routes have been established, and statistics have been compiled showing the participation of Canadian flag vessels in the carriage of Canadian overseas trade.

The statistical position in respect to Canadian waterborne trade has also been reviewed, and revisions have been recommended in the form and method of presenting the data dealing with Canadian shipping. In reviewing the material relating to the economic and technical aspects of the shipping and shipbuilding industries, it was found that much pertinent information was not available. To make good this deficiency a Technical Reference Division, which will be primarily concerned with securing, indexing and cataloguing the relevant material, has been set up.

3. *Shipbuilding for Government Account*

Under the plan for co-ordination of Government shipbuilding which has been adopted by the Government the Commission is charged with the responsibility of co-ordinating Government shipbuilding requirements. The present and future shipbuilding needs of all Government departments, including National Defence, are reported to the Commission.

On the basis of such information the Commission reports to the Government and makes recommendations as to the time and place of building, having regard to the necessity of maintaining a nucleus of a shipbuilding and ship repairing industry.

4. *Tonnage Replacement Plan*

The Commission is responsible for administering the tonnage replacement plan and maintaining records of all transactions. As of March 31st, 1949, thirty-six vessels were approved for sale at a gross sales price of \$23,119,250. The sum of \$3,372,669.83 has been advanced from the escrow fund to owners by way of loans to enable them to discharge obligations such as mortgages due to the Crown. The sale of each ship is covered by written agreements with individual shipowners and separate agreements are likewise made to provide for repayment of loans. The Commission is responsible for keeping accounts covering all transactions.

5. *I. M. C. O.*

The Commission was represented at the United Nations Maritime Conference which met in Geneva in February 1948, to discuss the establishment of I.M.C.O. (Intergovernmental Maritime Consultative Organization) which is to function as the specialized Agency of the United Nations dealing with shipping matters.

At the Geneva Conference a Preparatory Committee for the new Organization was established to carry out certain duties pending the ratification of the I.M.C.O. Convention by the required number of nations. Canada was elected to the Chairmanship of the Preparatory Committee.

The Canadian Government nominated the Chairman of the Canadian Maritime Commission as the Chairman of the Preparatory Committee and Canada formally accepted and ratified the I.M.C.O. Convention. The Preparatory Committee, consisting of representatives of twelve states, met at Lake Success in November 1948. Our Chairman presided over the sessions of the Preparatory Committee and one of our Commissioners acted as Alternate Delegate for Canada. The Committee took the essential preliminary steps to prepare for the first Assembly of the Organization and made the necessary financial provisions for the Organization.

The Organization will function in an advisory and consultative capacity as an Agency of the United Nations. Its purposes are:

- (a) to provide machinery for co-operation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade, and to encourage the general adoption of the highest practicable standards in matters concerning maritime safety and efficiency of navigation;
- (b) to encourage the removal of discriminatory action and unnecessary restrictions by Governments affecting shipping engaged in international trade so as to promote the availability of shipping services to the commerce of the world without discrimination; assistance and encouragement given by a Government for the development of its national shipping and for purposes of security does not in itself constitute discrimination, provided that such assistance and encouragement is not based on measures designed to restrict the freedom of shipping of all flags to take part in international trade;

- (c) to provide for the consideration by the Organization of matters concerning unfair restrictive practices by shipping concerns . . . ;
- (d) to provide for the consideration by the Organization of any matters concerning shipping that may be referred to it by an organ or specialized Agency of the United Nations;
- (e) to provide for the exchange of information among Governments on matters under consideration by the Organization.

The Convention will not come into force until it has been ratified by twenty-one nations of which at least seven must each have a total of not less than one million gross tons of shipping. Some nations have ratified the Convention but not yet in sufficient numbers to bring it into force. Therefore, it is not possible to forecast the next meeting of the Preparatory Committee or the First Assembly of the Organization.

6. *The Canadian Commercial Corporation*

At the request of the Corporation the Commission is acting as its technical adviser on all matters pertaining to shipbuilding and ship repairing, and has made members of its technical staff available to the Corporation from time to time for this purpose. The forthcoming naval shipbuilding programme will add materially to this phase of the Commission's activities.

7. *Standardization of Valves for Use in Shipbuilding*

In a committee and sub-committees of the Canadian Standards Association, Canadian shipbuilding interests are studying means whereby a code of standards in respect to marine valves and fittings can be adopted.

The interests comprise the Canadian manufacturers of marine valves and fittings, the Canadian Shipbuilding and Ship Repairing Association, naval architects, classification societies, Board of Steamship Inspection, the Royal Canadian Navy and the Canadian Maritime Commission.

Realizing the importance of the availability of standard valves and fittings both from the viewpoint of peacetime shipbuilding and maintenance and rapid expansion of production in an emergency the Maritime Commission is taking an active part in this work.

8. *Royal Canadian Navy Committee on Corrosion and Fouling*

The problem of corrosion of ships' hulls and the protective measures at present available to steamship operators for the care and maintenance of their fleets is being given consideration by the Commission as a member of the Royal Canadian Navy Committee on Corrosion and Fouling.

The purpose of the Committee is threefold:

- (a) to consider corrosion and fouling problems arising in the Royal Canadian Navy and Merchant Marine;

- (b) to formulate proposals for research and trials both under laboratory and service conditions of materials, protective processes, anti-fouling compositions or of any other developments which appear to show promise in the field of protection from corrosion;
- (c) to maintain liaison with other scientific and technical bodies concerned with problems of corrosion or fouling which the Committee deems advisable.

The permanent members of the Committee are representatives of the Royal Canadian Navy, Defence Research Board, Department of Mines and Resources, National Research Council, Canadian Maritime Commission and the Canadian Shipbuilding and Ship Repairing Association.

9. Committee on Search and Rescue

The Chairman of the Canadian Maritime Commission was appointed by the Government as Chairman of a Committee set up in February 1949, to review present arrangements for search and rescue off the coasts of Canada and to make recommendations for improved and more efficient service. The Committee's investigations into this subject have not as yet been completed.

10. Department of National Revenue and the Administration of Coastal Laws

The Commission, on the request of the Department of National Revenue, from time to time advises on the desirability or otherwise of suspending Canadian coastal laws to permit the operation of foreign flag ships. In advising on this matter the Commission gives consideration to the availability of suitable Canadian flag tonnage.

11. Park Steamship Company Limited

During 1948 the head office of Park Steamship Company Limited was transferred from Montreal to the Commission's offices at Ottawa and the Chairman and Commissioners of the Canadian Maritime Commission were appointed respectively President and Directors of the Company. The amalgamation of the Park offices and staff with those of the Commission has resulted in the saving of \$74,000 in expenses during the year and further reductions are being made as conditions warrant. The Company at one time was responsible for supervising the operation of no fewer than 176 vessels and there continue to be accounts requiring adjustment. There is also a substantial aftermath of insurance claims to be settled, many of them of a complex nature.

The insurance claims remaining to be settled fall into the following categories: (i) General Average, Salvage, Collision, Sue and Labour claims upon the underwriters. (ii) Claims against the Company in its capacity as hull underwriters under the bareboat

charters with Canadian companies. (iii) Sickness, Immigration and Injury claims, the latter involving a determination of the degree of disability and the capitalization of pension awards. (iv) Claims under the Waiver Agreement between Canada and the United States. (v) Miscellaneous claims in litigation.

The insurance claims settled by the Company during the year amounted to \$450,000 and this sum is largely recoverable from the underwriters. The Company presented 499 claims and recovered the sum of \$555,000 from the underwriters during the year. There are still ninety-one insurance claims of approximately \$839,000 to be presented to the underwriters or settled by litigation. The Company paid out the sum of \$35,000 in hull claims for which the Company was underwriter. There are still six of these claims amounting to approximately \$240,000 remaining to be adjusted and the Company has set up reserve accounts to meet its non-recoverable liabilities.

The Company is also responsible for the collection of monthly charter hire for the seventy-eight 10,000-ton coal-burning vessels chartered to the United Kingdom Ministry of Transport. Twenty of these vessels were returned for delivery to Canadian purchasers during 1948, and the remaining fifty-eight have been sold for delivery to their Canadian purchasers during 1950. Of nine stores-issuing ships on loan to the United Kingdom, two were returned during 1948, and the Company negotiated their sale and delivery to Canadian owners. The remaining seven are expected to be returned in the near future.

The Company acted as agents for War Assets Corporation in accepting redelivery of the twenty coal-burning vessels during 1948. This has involved the adjustment of inventories of consumable stores, arranging for the vessels to be placed on Canadian registry, ensuring the re-delivery of the vessels in accordance with the terms of the charter agreement and adherence to the terms of the sale agreement. The Company has also been appointed agent for the Corporation for the collection of instalment payments on mortgages which became overdue during 1949.

In its capacity as agent for War Assets Corporation, the Company supervises the insurance of Hull and Machinery, Disbursements, Freight, Marine and War Risk and Protection and Indemnity for all vessels sold by the Crown on a deferred payment basis. Mortgages are outstanding for ninety-five of these vessels. The Company deals with all claims in excess of \$5,000 made by the purchasers under the Hull and Machinery policies. As an added protection for the Crown it places Special Liabilities insurance on these vessels for the account of the purchasers. During 1948 the sum of \$58,000 was advanced for this purpose.

During the year the Company received charter hire from the United Kingdom Government in the amount of \$3,365,555.94, which,

together with balances on hand and amounts received from insurance claims enabled it to remit to the Receiver General of Canada the sum of \$5,007,025.50. Moneys arising from the sale of vessels were paid directly to War Assets Corporation by the purchasers.

12. *Knock for Knock Agreement*

In November 1946, the Governments of Canada and the United States entered into an agreement known as the Knock for Knock Agreement. This agreement provides for the mutual waiver of all legal maritime claims by either Government against the other in respect of collision, salvage, general average, negligent navigation or management of Government vessels or in respect of loss, salvage, damages or general average in connection with cargoes carried in a Government vessel. By an Order-in-Council of 24th February, 1948, the Chairman of this Commission was empowered to sign on behalf of Canada the waiver certificates necessary to implement this agreement; he was further empowered to deal with the appropriate Agencies of the United States Government concerning questions arising out of the preparation of these waiver certificates. A total of close to 100 claims has been examined. Waiver certificates have been executed in connection with many of these, though a large number of claims still remains to be settled.

13. *General*

The Commission has consulted and co-operated closely with other Government departments and agencies, particularly with the Department of Trade and Commerce in matters affecting domestic and external trade and with the Department of National Defence on subjects dealing with merchant shipping and all types of shipbuilding. International shipping matters have been dealt with in collaboration with the Department of External Affairs.

The staff of the Commission on March 31st, 1949, numbered 28—4 permanent and 24 temporary, whose annual salaries together with salaries paid to members of the Commission amounted to \$105,585.39.

Dated at Ottawa this 30th day of June, 1949.

J. V. CLYNE,
Chairman.

L. C. AUDETTE,
Commissioner.

ANGUS MCGUGAN,
Commissioner.

Appendix A

National Maritime Aid: A Summary of Policies

Argentina

Whereas Argentina before World War II showed little interest in a foreign-going merchant marine, the government has, since the war, actively pursued a policy intended to develop and protect a sizable mercantile fleet. As a result, the Argentine State Merchant Fleet has grown to 600,000 tons.

By official decree, cargoes purchased or sold by the government are to be carried, whenever possible, in Argentine bottoms at freight rates approved by the Merchant Fleet Department. Insurable risks for the account of national importers or exporters must be covered by Argentine insurance companies.

Income tax, levied on net earnings from freights, is imposed on foreign shipping using Argentine ports, exempting only the vessels of countries with which mutual taxation exemption agreements have been negotiated. For determining the tax, net earnings are regarded as ten per cent of gross freights. The government, by way of encouraging fleet expansion, exempts from taxation a proportion of the normally leviable earnings of national shipowners who apply over thirty per cent of their profits to the purchase of new vessels.

Preferential treatment is accorded Argentine ships in assessing port dues, light dues, and pilotage charges.

ARGENTINE MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	295	290,602
June, 1948.....	330	682,606

Australia

The Australian Government, in its second attempt to engage profitably in the shipping business, has entrusted, since the beginning of 1946, the operation of its fleet of twenty-six merchant vessels and additional chartered vessels to the Australian Shipping Board. The first experience of state shipowning, arising out of World War I, ended in 1927 with a heavy financial loss to the nation.

The Australian Shipping Act, 1949, charges the Australian Shipping Board with control of all Australian-owned shipping, with developing shipbuilding in the Commonwealth, and with establishing a Commonwealth Shipping Line to operate in coastal and overseas trade. Of vessels exceeding 200 gross tons, only those built in Australia and under twenty-four years of age will be licensed to engage in coastal trade. The government will purchase vessels built in domestic shipyards and resell them to private owners at a lower price, provided that the difference in price (that is, the amount of the building subsidy) does not exceed twenty-five per cent of the cost of a similar ship built in the United Kingdom.

Non-Australian ships are liable for Australian income and social service taxes on an assessment of one-twentieth of outward freight and passage money derived from trade with the Commonwealth.

AUSTRALIAN MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	361	494,171
June, 1948.....	344	524,290

Belgium

Apart from a few shipping services in which the State has directly participated, Belgian shipping has been developed by private enterprise with the assistance of low-interest government loans. The merchant fleet has engaged in liner trades to the exclusion of tramp ship operations.

Indicative of a continuation of policy, the Belgian Government has, by a law passed in August, 1948, set up a Shipowning and Maritime Construction Fund of two milliard francs (\$45.6 million at \$0.0228 to the franc) for the promotion of shipbuilding and for the acquisition of new vessels by national shipowners. The fund, administered by a Technical Commission for Maritime Credit, provides 300 million francs a year for loans and advances up to seventy per cent of the value of proposed acquisitions.

BELGIAN MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	200	408,418
June, 1948.....	210	439,207

Brazil

The Brazilian merchant marine, part of which is government-owned, has received state aid through construction and operating subsidies, loans, a variety of tax exemptions, and a reserved coastal trade. Berthing and warehouse priorities in congested Brazilian ports also constitute a form of government assistance to national shipping.

BRAZILIAN MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	293	484,870
June, 1948.....	331	706,125

Denmark

Danish shipping has been operated almost entirely by private enterprise without dependence on state assistance. While no subsidies have been paid, the government does encourage shipowners to acquire new tonnage by permitting tax-free depreciation over a two-year period in respect of costs in excess of pre-war prices.

DANISH MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	705	1,174,944
June, 1948.....	667	1,122,608

France

Extensive state assistance in the form of subsidies and mail subventions, maritime credit, loan guarantees, tax exemptions, and reserved trades has been a feature of French shipping in the past. Since the war, the government has become the principal shareholder in two major shipping companies, the Cie. Générale Transatlantique, and the Cie. des Messageries Maritimes. Freed from the threat of nationalization, other shipping firms remain subject for a two-year period to a measure of state control over trades and freight rates. War-time requisition was, however, discontinued by a law of February 28th, 1948.

FRENCH MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	1,231	2,933,933
June, 1948.....	1,113	2,786,115

Greece

The privately-owned Greek ocean-going fleet, operating with little state aid, has been recognized as a significant competitor in world shipping, particularly in the tramp trades. Low taxation enabled Greek shipowners to operate without benefit of subsidies even during the years of depressed freights. Since the war, however, competitive advantages have been offset by minimum wage and hour legislation enacted shortly after the liberation of Greece. Shipowners have, as a result, in many cases registered new vessels under foreign flags to escape government regulations. The government, on the other hand, has, by restricting the use of insurance proceeds arising out of war losses, endeavoured to bring owners to replace their former fleets with new vessels on the Greek register.

GREEK MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	607	1,780,666
June, 1948.....	355	1,286,161

India

The Indian Government has committed itself to a plan to form three shipping corporations and to assume a controlling interest in each. Under the scheme, the government will underwrite any losses incurred during the first five years of operations.

Italy

Prior to World War II, the Italian Government promoted the expansion and modernization of the merchant marine by intervening in the management and ownership of shipping and shipbuilding organizations, granting liberal bounties, subsidies, and building loans, and, in a variety of ways, extending indirect aid.

A reconstruction programme approved by the government in March, 1949, is intended to add from 230,000 to 235,000 tons of modern shipping to the war-depleted merchant fleet. Under the plan, state-controlled and private shipping companies will benefit from subsidies and tax exemptions. Subsidies of up to one-third of the cost of new vessels are provided from a fund of 34,000 million lire (\$57·8 million at \$0·0017 to the lira).

ITALIAN MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	1,227	3,424,804
June, 1948.....	808	2,099,629

Netherlands

Reconstruction of the Netherlands fleet has been largely a matter of private initiative. While a replacement scheme designed to balance the structure of the merchant marine has been announced by the Director General of Shipping, it is not known to what extent the government will participate.

Traditionally, government aid has not been great, although direct financial assistance was extended to tide the merchant marine over the depressed '30's.

NETHERLANDS MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	1,523	2,969,578
June, 1948.....	1,422	2,737,132

New Zealand

Shipping legislation restricts the coastal trade to ships complying with New Zealand wage and manning regulations and excludes foreign subsidized shipping from the New Zealand-Australia trade. Moreover, government exports are largely available only to contract shipping lines. Non-British vessels are required to pay a tax on their earnings from cargo and passengers embarked at New Zealand ports.

NEW ZEALAND MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	163	175,384
June, 1948.....	151	183,528

Norway

The Norwegian Government has offered no extensive assistance to the deep-sea merchant marine. Special depreciation allowances have been made in the case of ships purchased at inflated prices, and the shipbuilding industry has benefited by way of refunds of customs dues collected on imported construction materials.

NORWEGIAN MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	1,987	4,833,813
June, 1948.....	1,863	4,261,174

Panama

By imposing low taxes and few restrictions on shipowners, the Panamanian Government has attracted to its register a large volume of shipping, in most cases representing flag transfers. No direct subsidies are paid for shipping services.

PANAMANIAN MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	159	717,325
June, 1948.....	515	2,716,468

Spain

Spain, before World War II, granted operating and construction subsidies as well as loans for building and modernizing vessels to engage in regular trade to Spanish-speaking countries. At the beginning of 1949 the government reinstituted subsidy payments to Spanish ships on foreign trade routes, appropriating 10 million pesetas for the purpose. Subventions have been paid regularly to Spanish companies engaging in Mediterranean service. Including construction premiums, the sum of 76 million pesetas (nearly \$7 million at \$0.0916 to the peseta) is ear-marked for merchant marine assistance in 1949.

SPANISH MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	777	902,251
June, 1948.....	1,045	1,146,642

Sweden

Sweden has state funds available for ship construction loans at four per cent interest and in addition allows joint stock shipowning companies to write off their capital investments as rapidly as earnings permit. Through so-called "free depreciation", Swedish shipping firms may conceivably claim a depreciation allowance for the entire cost of a new vessel in the first year of its operation.

SWEDISH MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	1,231	1,577,120
June, 1948.....	1,247	1,973,294

United Kingdom

For a hundred years, British shipping policy has supported free and unfettered access to world trade, and British shipowners have relied not on privileged treatment but rather on their competitive ability. What aid the state advanced benefited the liner companies through loans and loan guarantees, mail subventions, and Admiralty bounties. In the 1930's, however, the depressed condition of British shipping called for direct measures of relief which, in the British Shipping (Assistance) Acts of 1935 and 1936, took the form of operating subsidies of £2 million per annum for tramp shipping, and building loans totalling £10 million to encourage replacement of old tonnage. A further Bill, widening the scope of direct assistance to tramp and liner shipping, was set aside owing to the outbreak of war in 1939.

By December 1, 1948, the British Government had removed the chief controls exercised over the activities of deep-sea dry cargo shipping in the war and immediate post-war years, thus freeing shipowners from state direction in determining the trades in which they may participate and the freight rates they must accept.

To encourage British owners to invest in modern tonnage, the government has recently increased the depreciation allowance for tax purposes from twenty to forty per cent of the value of a new vessel in the first year of its operation. Thereafter, straight-line depreciation is allowed at five per cent. Shipowners may also carry losses forward in any given years up to the limit of six years, thus enabling them to average good and bad periods of operation.

UNITED KINGDOM MERCHANT FLEET

(Steamers and Motorships of 100 gross tons and over)

	Number	Gross Tons
June, 1939.....	6,722	17,891,134
June, 1948.....	6,025	18,024,852

United States of America

Assistance to shipping has been regarded as indispensable to the operation of the United States mercantile fleet. Under the Merchant Marine Act of 1936, the U.S. Government pays construction and operating subsidies intended to achieve parity between costs of domestic and foreign shipbuilders and operators.

Construction differential subsidies, separately determined for each new vessel, amount to approximately forty-five per cent of building costs. Since 1936, the government has contributed \$341,000,000 towards the building of 247 vessels.

To qualify for an operating differential subsidy a shipowner must be prepared to furnish adequate service on a trade route shown, by an analysis of trade requirements, to be essential to the needs of American commerce. Whenever a recipient shipowner earns, over a ten year period, profits in excess of ten per cent of the capital employed, all or part of the operating subsidy is recaptured by the government. The twelve shipping companies which have benefited from operating subsidies will, by all indications, be in a position to return to the United States Maritime Commission a substantial portion of the amounts paid to them, leaving a net expenditure by the government of approximately \$24,000,000 in operating aid.

Participation in the coastal, inter-coastal and non-contiguous trades of the United States is restricted to American shipping.

Since the war, the Merchant Ship Sales Act of 1946 has enabled the government to offer for sale, with American operators granted prior rights to purchase, a considerable part of the war-built merchant fleet at prices well below cost.

Under the Foreign Assistance Act of 1948, at least fifty per cent of European Recovery Plan cargoes must, as far as possible, be carried in American ships.

UNITED STATES MERCHANT FLEET
(Steamers and Motorships of 100 gross tons and over)
(Excluding Great Lakes Shipping)

	Number	Gross Tons
June, 1939.....	2,345	8,909,892
June, 1948.....	4,800	26,900,739

Appendix B

Advisory Committees

1. *Committee of Canadian Shipbuilders*

R. C. Burdick.....	Vice-President, Pacific Drydock Co. Ltd.
T. R. McLagan.....	Executive Vice-President and General Manager, Canadian Vickers Ltd.
R. J. R. Nelson.....	General Manager, Halifax Shipyards Ltd.
J. Edouard Simard.....	Vice-President, Marine Industries Ltd.
R. Brock Thomson.....	Vice-President, Davie Shipbuilding & Repairing Co. Ltd.
H. W. Walton.....	General Manager, Canadian Shipbuilding & Engineering Ltd.

2. *Committee of Canadian Shipowners*

Maritime Division

Colonel A. N. Jones....	President and Managing Director, Pickford and Black Ltd.
H. I. Mathers.....	President, I. H. Mathers & Son Ltd.
Neil McLellan.....	General Traffic & Transportation Manager, Dominion Shipping Co. Ltd.
*F. K. Warren.....	President, Inter-Provincial Steamship Co. Ltd.
J. L. Williams.....	Managing Director, Newfoundland-Canada Steamships Ltd.

Eastern Division

M. G. Angus.....	Vice-President and Director, Lunham & Moore (Canada) Ltd.
J. B. Goulandris.....	Director, Triton Steamship Co. Ltd.
C. C. Lawes.....	Vice-President, Montreal Shipping Co. Ltd.
Captain R. W. McMurray.....	Managing Director, Canadian Pacific Steamships Ltd.
F. L. Parsons.....	Manager, Demerara-Saguenay Division, Saguenay Terminals Ltd.
L. J. Pattington.....	President, Quebec Steamship Lines Ltd.
E. P. Rees.....	President, Furness (Canada) Ltd.
K. Sharrock.....	President and Managing Director, Elder Dempster Lines (Canada) Ltd.

2. *Committee of Canadian Shipowners—Concluded**Western Division*

H. J. Beniston.....	Vice-President, Kerr Silver Lines (Canada) Ltd.
C. C. Busch.....	Managing Director, Johnson, Walton Steamships Ltd.
P. B. Cooke.....	General Manager, Canadian-Australasian Line Ltd.
A. B. Graham.....	Managing Director, Anglo-Canadian Shipping Co. Ltd.
W. L. Hurford.....	Secretary and General Manager, Seaboard Shipping Co. Ltd.
H. F. Jones.....	Manager, Canadian Transport Company Ltd.
E. F. Riddle.....	President, Western Canada Steamship Co. Ltd.

3. *Committee of Great Lakes Shipowners*

H. B. Clarke.....	Manager, Upper Lakes and St. Lawrence Transportation Company
G. R. Donovan.....	Secretary, Dominion Marine Association
Captain Scott Misener.....	President, Sarnia Steamships Ltd.
Captain N. R. Reoch.....	General Manager, Canada Steamship Lines Ltd.
Arnold N. Smith.....	153 Spadina Road, Toronto. (Retired)

4. *Committee of Canadian Companies Representing Steamship Lines
other than Canadian Flag.*

W. R. Eakin, Jr.....	Director, McLean Kennedy Ltd.
T. C. Lockwood.....	President, Cunard Donaldson Ltd.

5. *Merchant Marine Officers Panel*

Captain W. A. Gosse...	President, Canadian Merchant Service Guild
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6. *Labour Panel*

Jean Marchand.....	Director, The Canadian and Catholic Confederation of Labour
A. R. Mosher.....	President, The Canadian Congress of Labour

7. *Committee of Towboat Operators**Western Division*

J. A. Lindsay.....	General Manager, Vancouver Tug Boat Co. Ltd.
F. S. McKeen.....	Managing Director, Straits Towing and Salvage Co. Ltd.

7. *Committee of Towboat Operators*—Concluded*Eastern Division*

- R. A. Campbell..... Managing Director,
Sincennes-McNaughton Line Ltd.
- E. M. Woollcombe..... Vice-President and General Manager,
Foundation Maritime Ltd.

8. *Fishboat Owners Representative*

- Clive Planta..... Secretary-Manager,
Fisheries Council of Canada

9. *Committee of Coastal Operators**Western Division*

- R. L. Solloway..... Manager,
Frank Waterhouse and Co. of Canada
- Captain
O. J. Williams..... Manager,
British Columbia Coast Steamship Services,
Canadian Pacific Railway

Eastern Division

- Desmond A. Clarke.... President, Clarke Steamship Co. Ltd.
- J. G. L. Langlois, M.P. President,
St. Lawrence Shipowners Association, Inc.

10. *Shippers Panel*

- S. B. Brown..... Manager, Transportation Department,
Canadian Manufacturers' Association.
- H. H. Hannam..... President and Managing Director,
The Canadian Federation of Agriculture.
- C. A. LaFerle..... Manager, Traffic Department,
The Robert Simpson Co. Ltd.
- H. V. Lush..... President,
Canadian Exporters' Association
- Guy Tombs..... President, Guy Tombs Ltd.

11. *Marine Insurance Committee*

- J. S. Anderson..... Manager, Insurance and Claims,
Montreal Shipping Company
- H. R. Churchill..... President, G. U. Price Ltd.
- J. A. Parker..... Chairman, Canadian Board of Marine
Underwriters
- A. Powis..... Manager, Chubb and Son
- *T. W. Waugh..... Manager, Insurance and Claims Department,
Canadian National Steamships

*Deceased.

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Canada Maritime Commission

Government
Publications

THIRD REPORT
OF THE
CANADIAN
MARITIME COMMISSION

JUNE 30, 1950

SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

PRICE 15 CENTS



THIRD REPORT
OF THE
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JUNE 30, 1950

SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
KING'S PRINTER AND CONTROLLER OF STATIONERY
1950

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The Honourable LIONEL CHEVRIER, K.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act 1947, I have the honour to submit herewith the third report of the Canadian Maritime Commission, covering the period between April 1st, 1949, and March 31st, 1950.

I have the honour to be, Sir,

Your obedient servant,

J. V. CLYNE,
Chairman.

Ottawa,
June 30th, 1950.

Third Report

of the

Canadian Maritime Commission

In our second annual report dated June 30, 1949, we dealt at some length with the investigations which we carried out under the powers vested in the Commission by virtue of Section 7 of the Canadian Maritime Commission Act. It does not appear to be necessary to recapitulate the result of such investigations nor the conclusions to be drawn from them. Therefore this report will deal mainly with the administrative work of the Commission for the present year.

Reference, however, may be made to our last report in which we stated that by the end of 1948 Canadian deep-sea shipping had reached the line of demarcation between a profitable and unprofitable industry. During the year 1949 the freight market continued to decline, devaluation of the pound sterling having a pronounced effect. The industry also suffered a severe blow by reason of the strike of the Canadian Seamen's Union which was called on March 31, 1949, and lasted for 6½ months.

A Conciliation Board consisting of a judge of the Supreme Court of British Columbia and representatives of both employers and the Union made a unanimous recommendation for purpose of settlement which was accepted by the Shipowners but which the Union rejected. Aside from monetary loss, the reputation of Canadian flag vessels was badly damaged, as the effect of the strike was world-wide. The Union succeeded in obtaining support for the strike from dockers in various ports throughout the world. As an example of the dislocation caused by this strike, there were 132 ships and 13,984 men idle in the port of London on July 13, 1949. In commenting upon this situation in the United Kingdom, the British Minister of Labour stated in a White Paper issued on December 14, 1949:

"A review of the circumstances in which these strikes started and spread makes it clear that preparations for the strikes began as early as the latter part of last year, although the first strike did not take place until May of this year. The evidence shows that there was throughout a cold and deliberate plan, and that the unofficial leaders were completely indifferent to the loss and suffering that might result. They had one aim and one aim only—to restore the fortunes of the Communist-dominated Canadian Seamen's Union. In the course of the strikes they engaged in misrepresentation and violence and it was inevitable that when the Trades Union leaders in this country, mindful of the interests of their members, opposed the strikes and tried to bring out the true facts, they were in turn assailed and abused by the Communists in this country who were supporting the strikes."

It became apparent in the latter part of 1949 that in spite of the efforts of Canadian owners to decrease costs, Canadian flag vessels were unable to operate competitively. Negotiations were therefore opened with the government of the United Kingdom to endeavour to reach a working arrangement whereby some Canadian-owned vessels might be operated under United Kingdom flag. As a result of such negotiations a statement was made in the House of Commons on December 9, 1949, by the Prime Minister, on Canadian deep-sea shipping policy which is printed as an appendix hereto.

On December 9, 1949, there were 173 Canadian-built ships which had been sold by the government to private Canadian companies under terms restricting operation to Canadian flag. These included 58 vessels which are now being delivered to purchasers as they come off hire from the British Ministry charter this year.

Pursuant to the arrangement made with the United Kingdom consent has been given to the transfer of 93 vessels from Canadian to British registry. The ownership remains in Canada but the operation is under British flag. Hitherto Canadian-owned vessels were unable to compete in the sterling freight market as they required dollars to pay disbursements. Under this arrangement such vessels are permitted to earn sterling freights but the gross freights, earned either in sterling or dollars, must be deposited in London account and the net profits may be remitted to Canada in Canadian currency. Without going into all details it may be safely said that this arrangement is advantageous to both countries.

During the early months of this year the Commission has been engaged in completing the terms of this arrangement. Each vessel which is transferred is subject to a written contract between the Crown, the Commission and owners to ensure that the agreement between governments is carried out. As has been stated, consents to transfer of 93 vessels had been given as of March 31, 1950, and it is contemplated that a total of 123 vessels will eventually find their way to United Kingdom registry.

As announced by the Prime Minister the sum of \$3,000,000 will be provided for the purpose of assisting Canadian deep-sea shipping for the period of one year. Aside from purposes of national defence one of the objects of this assistance is to help the industry through the present difficult period and to afford employment to Canadian seamen. Under this plan, the administration of which is the duty of the Commission, not more than 40 Canadian flag vessels will be subsidized. In choosing the vessels to be assisted the Commission has regard to the financial ability of owners to continue operation under Canadian registry in trades which are or will be beneficial to Canada.

As of the end of March, 1950, the Commission had approved applications for subsidy in respect of 29 vessels. Each vessel is

subject to an individual contract providing inter alia for the operation of the vessel for one year under Canadian flag manned by Canadian seamen.

The operation of the subsidy and transfer policy will not cause any serious unemployment of Canadian seamen. Many of the vessels which are being transferred did not carry Canadian seamen because their operation did not bring them to Canada. At the present time there are about 3,200 Canadian seamen employed in Canadian deep-sea dry-cargo vessels. When all transfers have been completed there will be about 1,750 Canadian seamen who will still have employment at Canadian rates of pay in such vessels by reason of assistance given by the government to the industry. In addition to this number there will be about 1,200 Canadian seamen who will continue to find employment in the Canadian tanker fleet and other specialized ocean-going services which do not require subsidy. In addition to this figure there are 4,050 seamen engaged in coastal trades and 7,250 seamen engaged in the lake trades. During the coming year there will therefore be about 14,000 men in Canada following the seafaring trades.

The Commission has proceeded with the administration of the replacement plan. By the end of March, 1950, thirty-eight 10,000-deadweight ton dry-cargo vessels, one 10,000-deadweight ton tanker, and five 4,700-deadweight ton dry-cargo vessels had been sold resulting in gross sales of \$26,935,500, which was paid into the escrow fund. Of this amount, \$1,749,597.71 was permitted to be withdrawn for the purpose of paying expenses incidental to sale such as commissions, reconditioning and survey costs and similar items, leaving a net balance in escrow of \$25,185,902.29. By March 31, 1950, the sum of \$4,601,795.34 had been either spent or earmarked for the purpose of new building and conversions.

One result of the replacement, transfer and subsidy plans has been the pre-payment of a number of mortgages held by the Crown. By March 31, 1950, these pre-payments amounted to approximately \$8 $\frac{1}{4}$ million and commitments already arranged will bring in a further \$2 $\frac{1}{2}$ million during the next three months. In addition to this, a number of transfer and subsidy agreements contain provision for the assignment of net profits or subsidy payments towards the retirement of mortgages.

The Commission has continued to act as technical adviser to the Canadian Commercial Corporation in all matters pertaining to ship-building and ship repairing.

It has also continued to advise the Department of National Revenue from time to time on applications for the suspension of Canadian coastal laws to permit the operation of foreign flag or foreign built ships.

Under the Canadian Vessel Construction Assistance Act the Commission is charged with the duty of certifying the cost of vessels whose owners are entitled to apply for accelerated depreciation.

The Commission has continued to wind up the affairs of the Park Steamship Company Limited, a crown-owned company of which the three members of the Commission are directors. During the war the Park Company operated a total of 176 vessels on behalf of the Crown and a number of matters still remain to be settled before liquidation is completed. In the fiscal year ended March 31, 1950, the company settled claims arising out of the operation of its ships amounting to \$92,000, most of which is recoverable from insurance underwriters. During the year, the insurance underwriters paid the company the sum of \$507,000 in settlement of 175 claims. There are still 30 claims approximating \$830,000 to be presented to the underwriters or settled by litigation. The sum of \$75,000 was paid out in hull claims under the terms of various bareboat charters; there are four further claims of this nature remaining to be adjusted, amounting to approximately \$160,000.

The company continued to collect hire from the United Kingdom Government for the 58 vessels remaining on charter. The total amount collected during the year was \$2,900,000.

Including the insurance recoveries of \$507,000, the charter hire of \$2,900,000 referred to in the foregoing paragraphs and other items, the company collected a total amount of \$3,600,000.

The sum of \$3,325,000 was transferred to the Receiver General of Canada during the year, which together with insurance claims settled, operating expenses and pre-payment of special liability insurance, brought the total of disbursements up to \$3,625,000. It is estimated that the company's outstanding liabilities amount to \$455,500, comprising hull claims for which the company is self-insurer (\$160,000), certain repairs required to the 27 "Park" vessels being returned by the United Kingdom Government in 1950 (\$202,500) and miscellaneous accounts and provision for contingencies (\$93,000), for which suitable reserve accounts have been set up.

On April 1, 1949, there were 10 employees on the company's payroll which was reduced by 3 during the year; on March 31, 1950, the company had 7 employees.

It is anticipated that the work of liquidating the company will be completed by the end of the calendar year.

As agent for Crown Assets Disposal Corporation, the Park Company is required to effect collection of any amounts which may become overdue in respect of mortgages on ships sold by the Crown. During the year some questions arose as to the ability of the purchasers of 58 vessels to be delivered in the calendar year 1950 to

complete the contract of purchase due to the present state of the freight market. With the co-operation of the principal purchaser this matter has been satisfactorily settled and all amounts are being paid in respect of these ships as they become due and delivery of vessels is taking place pursuant to contract.

The Commission has continued its investigation, certification and settlement of the claims under the agreement between the Governments of Canada and the United States for the mutual waiver of legal maritime claims. In some of the claims, the information provided by one or both of the governments involved has not included the amount of the damage sustained and in certain other cases, the amounts given have been estimates only. Consequently, only approximate figures can be quoted. Of the claims examined during the year, waiver certificates were signed on behalf of Canada in 34 cases involving claims on behalf of the Crown and against the Crown exceeding \$5,000,000. In 15 of the 34 cases, the waiver certificates have also been signed on behalf of the United States Government; in the 19 other cases, the waiver certificates have been sent to the appropriate agency of the United States Government for signature. In two further claims examined by the Commission, waiver certificates were not executed because they did not fall within the agreement. The Commission has notice of only nine other claims which may fall within the agreement.

Since Confederation the government has been paying subventions in respect of coastal services in order to provide water transportation to outlying communities where operating expenses are greater than possible revenue. These subventions are now administered by the Commission. During the fiscal year 1949-50 thirty coastal and inland steamship services were subsidized, two on the West Coast, two on the Great Lakes and twenty-six on the East Coast including the River and Gulf of St. Lawrence.

It is only in respect of services which are essential that subsidies are provided and in most of these cases no other means of transportation is available.

Subsidies for four services were discontinued during the year. Withdrawal of subsidy is brought about by amalgamation with other services, or because other competitive means of transportation have become available, or because a service has developed to a point where it has become self-supporting.

During the year the Commission considered ten applications for new subsidies, allowed none, refused nine and one is still under investigation. It considered eighteen applications amounting to increases totalling \$1,318,639 in current subsidies, recommended increases in fourteen cases, amounting to \$333,000, and refused to recommend increases in four cases.

Of the increases recommended of \$333,000 the sum of \$35,256 was recovered under a recapture agreement. A special hearing was held in the case of West Coast subsidies because of certain complaints arising in that area when all interested parties were given an opportunity of presenting their views.

The financial results of all subsidized operations have been subjected to careful review. Records are maintained relating to economic conditions, production, trade and traffic and means of communication in the areas served. The subsidized services and local conditions and the vessels carrying out the services have all been inspected by the Commission's officers during the year.

During the year application was received from the Canadian National Railways for subsidy for the continued operation of the ten coastal steamship services formerly operated by the Newfoundland Railway. Preliminary investigations into the financial results of these operations are being carried out and pending completion of study of these proposals provision has been made in the 1950-51 estimates for possible subsidization of these services.

The following table gives statistics of steamship subventions for the year ended March 31, 1950:

Statistics of Steamship Subventions for the Year Ending March 31, 1950

SUBSIDIZED COASTAL SERVICES

Interprovincial Services

Between Quebec, Prince Edward Island and Nova Scotia	\$ 144,000.00
Between Nova Scotia and Prince Edward Island	191,000.00
Between Nova Scotia and New Brunswick	29,625.00
Between New Brunswick and Quebec	22,000.00
Between Prince Edward Island and Newfoundland	54,000.00

Provincial Services

British Columbia	405,000.00
New Brunswick	90,666.66
Nova Scotia	297,221.00
Ontario	85,744.15
Quebec	819,500.00

Total	<u>\$2,138,756.81</u>
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SUBSIDIZED COASTAL SERVICES

Outward

		1948	1949
Passengers	No.	180,091	183,847
Freight	Tons	121,773	114,571

Inward

Passengers	No.	175,426	183,745
Freight	Tons	83,246	52,372
Total Passengers	No.	355,517	367,592
Total Freight	Tons	205,019	166,943

As the facilities in Canada for the construction, repair and reconditioning of vessels were reviewed in detail in our last report, it is intended to deal here only with the industry itself, its record of production for the year 1949, and the outlook for future business.

The shipbuilding branch of the industry received contracts from private companies during the calendar year 1949 for 15 vessels aggregating about 74,560 gross tons and having a dollar value estimated at approximately \$18,374,000. Of this amount 7 ships, totalling 6,918 gross tons, valued at \$5,000,000 were for export to dollar countries. During the same year contracts placed in Canadian yards for new ships for departments of government, excluding National Defence, amounted to \$6,818,000, and comprised 3 vessels aggregating 3,305 gross tons and 1 vessel of 8,460 displacement tons.

Contracts for naval vessels allocated to Canadian yards in 1949 amounted to \$34,100,000. Included in this amount are 3 Anti-submarine Escort Vessels, 4 Influence type Minesweepers, 1 "Wind" class Icebreaker and 1 Gate Vessel.

It is the duty of the Commission to make recommendations in regard to placing government shipbuilding and ship repairing orders. To this end, departments and agencies of government having shipbuilding requirements inform the Maritime Commission, as far as possible in advance of the dates upon which contracts would have to be placed, of their probable shipbuilding requirements. With such information at its disposal the Commission makes recommendations as to the policy to be followed in the building of such ships in the best interests of the industry and with due regard to reasonable economy.

Combined orders for new ships placed in 1949 were, therefore, 29 vessels having a total dollar value of approximately \$58,290,000.

The industry's total production of merchant vessels in 1949 was 26 ships having a total gross tonnage of 53,972 and a total dollar value of \$31,740,824. An analysis of these figures shows that 18 ships, aggregating 39,160 gross tons and worth \$25,951,313 were for export. Seven (7) ships totalling 12,847 gross tons and having a dollar value of \$4,290,511 were for private account, including 2 small ships for the Provincial Government of British Columbia. One (1) ship was for Federal Government account with a gross tonnage of 1,965 and costing \$1,580,000.

For comparative purposes it is worthy of note that 1948 production was 87 merchant vessels and 1 naval vessel, having a total value of approximately \$87,255,269; while 1947 production was 43 vessels, valued at \$44,133,764.

As for the ship repairing branch of the industry, the work showed a decline during 1949 from that obtaining in 1947 and 1948. This was due in part to the effects of devaluation and for the reason that the post-war programme of reconditioning and conversion has almost reached the end.

During the year 1949, 1,516 merchant ships and 56 naval ships were overhauled, repaired or reconditioned at a total expenditure of

\$18,000,000. This business was divided among the four shipbuilding areas as shown in Table:

	Naval	Merchant	Dollar Value
Pacific Coast.....	7	476	\$ 5,520,142
Great Lakes.....	0	224	4,310,629
St. Lawrence.....	0	442	2,970,850
Atlantic Coast.....	49	374	5,230,875
Total.....	56	1,516	\$ 18,032,496

As compared with 1948, total dollar value of ship repairs for the year 1949 showed a drop of \$2,000,000 and over \$6,500,000 compared with 1947.

Total dollar value of shipbuilding orders under construction or in preparation as of March 31, 1950, amounts to approximately \$70,500,000. This sum represents 30 ships; 9 vessels having a dollar value of \$34,100,000 (all for the Royal Canadian Navy), 5 ships having a dollar value of \$8,818,500 for Departments of Public Works and Transport, 8 ships valued at \$16,409,000 for private domestic operators and 8 ships aggregating \$11,280,000 for export to dollar areas.

It is anticipated that by the end of June, 1950, 8 ships for export, 3 for government service and 3 for a private domestic owner, amounting to approximately \$17,500,000 will have been delivered.

The business for government account, totalling approximately \$43,000,000 must be considered from the point of view of the length of time between the design stage and probable dates of completion. Due to the nature and complexity of the construction involved, it is estimated that the greater part of this work will extend over a period of three years and will give continuous employment to a relatively small number of men during that period.

The average monthly employment figure for the year 1949 (sixteen yards reporting) was 9,831, a decrease of 34 per cent compared with the monthly average of 1948. This figure is still above the minimum level of employment necessary to maintain the industry as mentioned in our last report.

The staff of the Commission on March 31, 1950, numbered 30—5 permanent and 25 temporary, whose annual salaries together with salaries paid to members of the Commission amounted to \$120,720.20.

Dated at Ottawa, this 30th day of June, 1950.

J. C. CLYNE,
Chairman.

L. C. AUDETTE,
Commissioner.

ANGUS MCGUGAN,
Commissioner.

Appendix to Third Report of Canadian Maritime Commission

Extract from House of Commons Debates
Official Report—Friday, December 9th, 1949

Canadian Deep-Sea Shipping Industry—Statement of Government Policy by the Prime Minister

During recent months the government has been giving very serious and careful consideration to the state of the Canadian deep-sea shipping industry. The main facts of the situation are fully set forth in the report of the Canadian Maritime Commission; since that report was prepared an increasing number of Canadian flag ships have been laid up. The government proposes to deal with the matter promptly.

The problem stated in simple terms is this. Canadian flag vessels are no longer able to pay their own way. This situation is not new. Not since the beginning of this century has the business of owning and operating deep-sea vessels really prospered in Canada. In fact from 1900 to 1919 there was very little Canadian participation in deep-sea shipping. However, the building of ships in Canada during the first world war led the government of that day into a post-war venture of a government owned merchant fleet. That fleet proved to be uncompetitive in the world market, and when the Canadian government merchant marine was finally liquidated in 1936, the total loss to the government, exclusive of interest on capital and other advances, amounted to over \$82 million.

During the second world war it again became necessary for Canada to build ships to carry essential supplies. In 1946 the Canadian merchant fleet was the fourth largest in the world. The Canadian government at that time, instead of continuing to operate a government-owned fleet in a period of high freights, decided to dispose of its vessels.

In 1946 there was a strong demand for ships both in Canada and abroad. Companies in Canada were most anxious to purchase ships, and under these circumstances it appeared only right and proper to give to our own people the first opportunity to buy. Thus the bulk of the war-built fleet was sold to Canadian operators at reasonable prices and on favourable terms, but they purchased these vessels at their own risk. On the 16th day of June, 1947, my colleague, the Minister of Trade and Commerce, then Minister of Reconstruction and Supply (Mr. Howe), in addressing this house said:

“Hon. members are well aware that a merchant navy is basically an industry which, like other industries, has to pay its way if it is to survive”.

During the years 1946 and 1947 ocean freight rates remained at high levels and Canadian owners were able to operate their vessels profitably and successfully. About the middle of 1948, however, Canadian ships began to experience greater difficulty in obtaining dollar cargoes and freight rates began to decline from their high war-time levels. In March of this year a steady decline set in which has continued and at present rates and at Canadian costs Canadian vessels cannot be operated without substantial losses.

As I have said, the Canadian government has sold all its ships, the majority of which have been purchased by Canadian owners. At the present time we have 118 dry-cargo vessels operating under Canadian flag, and an additional 58, which likewise have been sold, are due to be returned from United Kingdom flag to Canadian registry next year, making a total of 176 ships which we must take into consideration. I am advised that, in order to enable those ships to operate competitively in the world market, over \$25 million in annual subsidies would be required.

The maintenance of a Canadian flag merchant fleet can be justified only on the basis of one or both of two assumptions: (1) that the fleet is a net economic asset to the community, or (2) that the fleet is important for purposes of national security.

In considering the studies which are available to us on the subject, we have concluded that we are not justified from an economic viewpoint in maintaining a Canadian flag fleet by artificial means. It is not the intention of the government to maintain an industry at the expense of the taxpayer, and of other export industries, by the unhealthy method of subsidies, unless these countervailing considerations are very strong indeed.

There are many objections to shipping subsidies. They do not tend to promote a healthy and efficient industry. They constitute a steady and usually increasing drain upon public funds. In a world in which some types of ships are already in oversupply they represent a waste of the taxpayer's money.

I do not propose to go into all the difficulties involved in shipping subsidies since the government's basic objection to a policy of subsidization rests on wider grounds. The world is still suffering from the effect of two great wars. Dislocation resulting from such wars has disrupted world trade to an extent that nations are taking extraordinary steps for the preservation of their economies. Our view has consistently been that it is not possible to seek a solution to our trade and currency difficulties on a purely national basis. Canada has goods to sell, but our European customers lack dollars to buy them. They cannot acquire such dollars unless we do our share of buying from them. In other words we must seek to encourage imports from countries to whom we desire to sell our goods and in this sense shipping services of other countries represent an import. We must not adopt measures which would hinder the revival of world trade and defer the achievement of balance between dollar and non-dollar trading areas. If we were to adopt a policy of subsidization of national shipping, it would be a protectionist measure disabling other countries from trading with us.

The problem of preserving some part of the fleet for national security purposes deserves further consideration. In a world at peace with itself, this would not be necessary. Each nation would perform those functions which it could carry out most efficiently and economically, and if Canada were unable to conduct deep-sea shipping operations as well as other countries, such operations would be abandoned. Safeguards would have to be set up to prevent countries engaged in shipping from discriminating against countries which had no shipping. However, we must regard the world as it is and make a realistic approach to the problem.

Safeguards to prevent discrimination have been set up under the machinery of the United Nations, and the constitution of the intergovernmental maritime consultative organization is designed to prevent unfair shipping practices. But although Canada has ratified the IMCO convention, it has not yet received the agreement of sufficient nations to bring it into operation. Furthermore, unhappily, we cannot say that war is not a possibility. I am strongly of the opinion, however, that arrangements should be made between the peace-loving nations of the world to pool their shipping resources in the event of war. If proper

assurances were received in this respect, it might not be necessary for those nations who cannot operate ships economically to continue to maintain merchant fleets to meet an emergency.

The maintenance of adequate ocean-going shipping, shipbuilding capacity and ship repair facilities is fundamental to the defence organization of the North Atlantic treaty. It is, like defence proper, a collective responsibility which the partners must share in relation to capacity, aptitude, and relative efficiency. An increasing degree of specialization along the lines in which each country can make the greatest contribution to the common defence and welfare is the natural complement of the principle of integration in defence planning which we, together with our partners in the North Atlantic treaty, have accepted and have begun to apply. The implications of this approach are plain.

The experience of two wars has made it plain that allies have to pool their shipping resources. This lesson has not been lost on the countries which are now associated for purposes of common defence, in the North Atlantic treaty. It is our hope, to further which we shall use our best endeavours, that arrangements can be completed in peacetime which would ensure the prompt, fair and efficient use and allocation of all available shipping in any emergency. Conversations to this end are already under way. In particular, discussions on this subject have taken place between officials of the government of the United Kingdom and Canada. Those discussions have not yet been completed, but I believe that if Canadian ships are transferred to United Kingdom registry, arrangements can be made to treat such ships as part of the Canadian contribution to any allied shipping pool in the event of war. Similar conditions would govern any transfer of registry for operating purposes to the flags of other countries upon whose close co-operation in mutual defence we can confidently rely. By proceeding along these lines and within the framework of security which we are building up, it should no longer be necessary for each individual country to risk the waste of its national effort in duplicating facilities and services which can be more efficiently carried out in peacetime by their partner countries, and which will be available to serve the needs of all should a war come.

The government has therefore decided that, for the next year—and I stress “for the next year”—while an allied defence shipping pool is being created, it is advisable to maintain some proportion of the present fleet under Canadian flag. For that purpose the government has decided to recommend the provision of a sum of \$3 million as an aid to the Canadian ocean shipping industry for one year only. It is estimated that over 500,000 deadweight tons of dry-cargo shipping will remain under the Canadian flag, but it may be that not all vessels comprising that tonnage will receive assistance. The number of ships to be assisted, and the amount of assistance required by each, will be left to the Canadian Maritime Commission, who will administer the fund under the provisions of the act, if parliament sees fit to pass it.

It is recognized that the reduction contemplated in the fleet will compel a number of seamen to find shore employment. In order to assist them in this transfer, the government has decided to extend the vocational training scheme to admit eligible men applying on or before the 30th day of September, 1950, and commencing their approved training before the 31st day of January, 1951. The Ministers of Transport and Veterans Affairs will have discretion with regard to the restricting provisions respecting age and the granting of allowances as at present set out in the merchant seamen vocational training order. Hon. members know that the terms of that order restricted training to men under thirty years of age.

The vessels of the Park fleet, which, I have said, were sold by the government to Canadian companies, were purchased under the terms of an agreement containing the following clause:

"It is one of the essential conditions of the present agreement that except with the prior written approval of the seller—

The government—

—the vessels sold will be operated under Canadian registry by the purchaser as well after as before the full balance of the final or adjusted purchase price and interest has been paid; and the purchaser agrees for itself, its successors and assigns, not to make any application for transfer of any of the vessels out of Canadian registry without the prior written approval of the seller".

If it had not been for this clause, Canadian companies could have transferred their ships to foreign flag at any time. That covenant has now been in force for about four years, and it is now felt, in view of what I have said, that it is fair to give relief in respect of this restriction, as it has been demonstrated that Canadian vessels with their present high costs cannot be operated. Applications from shipowners may now be made to the Minister of Transport, through the Commission, to transfer flag, and transfers will be permitted under such conditions as he may impose. This is in conformity with what I said previously about the concern to have an arrangement for a shipping pool that would give us the confidence that ships would be available in the event of an emergency.

Such transfer of flag, of itself, does not of course affect the ownership of the vessels, which will remain in Canadian hands. In permitting transfers the government will see to it that there will be tonnage available to meet Canadian needs in the event of war, and it is hoped that by means of such transfers Canadian-owned vessels will be able to secure cargoes which have not been available to them by reason of currency restrictions.

Let me emphasize again that the relief which is now being granted to the shipping industry is temporary and for one year only. It is given to assist shipowners to meet the emergency created by the decline in the freight market, and in the hope that they will be able to reduce their costs in order to operate competitively.

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Government
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FOURTH REPORT
OF THE
CANADIAN
MARITIME COMMISSION

1950/51

JUNE 30, 1951

SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

PRICE 15 CENTS

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FOURTH REPORT

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MARITIME COMMISSION

JUNE 30, 1951

**SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT: 1947**

OTTAWA
EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
KING'S PRINTER AND CONTROLLER OF STATIONERY
1951

The Honourable LIONEL CHEVRIER, P.C., K.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act 1947, I have the honour to submit herewith the fourth report of the Canadian Maritime Commission, covering the period between April 1st, 1950, and March 31st, 1951.

I have the honour to be, Sir,

Your obedient servant,

J-C LESSARD,
Chairman.

Ottawa,
June 26, 1951.

Fourth Report

of the

Canadian Maritime Commission

During the period covered by this report from April 1, 1950 to March 31, 1951, the world shipping situation has undergone a complete change; this has benefitted Canada's deep-sea shipping industry.

The change may be attributed to a variety of factors including the increased international tension, the increased need for ships to transport supplies to the Korean theatre, the acceleration of defence measures and stock piling, and the sudden need in the latter part of 1950 for coal imports to Europe. As a result of these factors charter rates have more than doubled.

These greatly enhanced rates have had the effect of considerably increasing the market value of "Park" or "Liberty" type general cargo carriers.

Canadian shipping companies who rely on chartered ships for carrying out all or part of their business are now experiencing difficulty in chartering the ships they require at reasonable rates.

Canadian owners of ships operating in the tramping trades are now able to obtain revenues which not only cover operating expenses but also show a good margin of profit. Owners of ships engaged in liner and quasi-liner trades have had to face the temptation of diverting their ships into tramping services at the risk of losing the liner trade which they have laboriously but persistently built up. Rates in the liner services have, however, increased by approximately one-fifth following the general rise in charter rates.

The much increased tempo of defence preparations has resulted in orders for naval vessels being allocated to all the principle Canadian shipyards. This will be dealt with in more detail in a later part of this report.

The replacement plan administered by the Commission has continued during the year. Under the plan, which has been fully described in our previous reports, 13 ships were sold abroad during the year resulting in a total of \$5,706,835.84 being deposited in escrow. By March 31, 1951, a total of 57 ships had been sold abroad since the inception of the plan.

In our third annual report, we reported that at March 31, 1950, the sum of \$4,601,795.34 had been spent or ear-marked for the purpose of new building or conversions. At March 31, 1951, the amount had risen to \$10,929,829.98; this was mainly the result of assignments made by owners of escrow funds to operators who were prepared to apply them towards the cost of new building, or to the conversion or the acquisition of vessels approved by the Commission. The Commission's policy is to allow only a proportion of the cost to be met by assignment of funds held in escrow under its replacement plan where the assignment of funds is destined for the building, conversion or acquisition of other than ocean-going ships.

As of March 31, 1951, the total amount remaining in escrow was \$23,416,862.54.

Ninety-three Canadian-owned ships are now being operated on United Kingdom Registry under the special transfer arrangements described in our Third Report. This number includes the 58 ships previously on charter to the United Kingdom Ministry of Transport which were delivered to Canadian purchasers during 1950 and retained on United Kingdom registry; these ships had never been manned by Canadian crews. Of the remaining 35 ships transferred, 22 had to substitute United Kingdom crews for the Canadian crews by which they had formerly been manned. The balance, having been operating in trades which did not bring them to Canada, had not been manned by Canadian crews while they were on Canadian registry.

The original arrangements made at the end of 1949 with the United Kingdom allowed for the transfer of a total of 123 Canadian vessels to United Kingdom registry. Thirty more ships could therefore be transferred, but to date no applications for further transfers have been received. In view of the improved shipping conditions mentioned above, no more applications are anticipated in the near future.

Under the Government's subsidy plan announced by the Prime Minister of December 9, 1949, owners of 37 Canadian registered ships made contracts with the Commission during the year to operate these ships with Canadian crews for which they received a subsidy of \$75,000 each for a full year of operation; this plan was designed only for a period of one year and the change in conditions which has occurred during that period shows no extension of the plan to be necessary. Nine contracts remain to expire after March 31, 1951.

The subsidy plan coming as it did when Canadian registered ships were unable to operate without substantial losses, has had the effect of retaining a number of ships in active operation on Canadian registry and tiding them over into a period of profitable operation

once more. It also afforded continued employment to Canadian seamen and permitted owners to increase the equity in their ships by the prepayment of government mortgages.

It is estimated that during the year the replacement plan, the transfer plan and the subsidy plan have been instrumental in encouraging Canadian owners to reduce their mortgage indebtedness to the Government by approximately \$8,375,000.

The Commission, in reviewing the activities of the ship-building industry during the calendar year 1950, observes with satisfaction the increasing versatility of the shipyards. This is evidenced by the fact that they have built during the past year vessels differing as widely as ocean-going passenger-cargo ships and suction dredges. During the same year the industry completed a patrol vessel for use in Arctic waters and launched the world's largest train ferry for service in the Gulf of Mexico. This trend towards diversification is an encouraging development and will undoubtedly prove of great value to our shipyards in building the wide variety of ships required under the naval shipbuilding programme.

The industry's production of merchant vessels in 1950 was 24 ships of 50,439 gross tons having a total value of \$26,181,704. An analysis of these figures shows that eight of these vessels aggregating 13,683 gross tons and valued at \$11,561,970 were for export to dollar countries. Ten ships totalling 31,509 gross tons and having a value of \$9,693,614 were for private domestic account, including one such ship for the Provincial Government of British Columbia. The remaining six vessels aggregating 5,247 gross tons and valued at \$4,926,120 were for Federal Government departments. Compared with 1949 there was a falling off in total production of $6\frac{1}{2}$ per cent in tonnage and of 17 per cent in the dollar value of ships delivered.

The production of merchant vessels during 1950 was carried out in the four principal shipbuilding areas as follows:—

	No.	Gross Tons	Approximate Dollar Value
Pacific Coast.....	5	1,966	\$ 1,388,456
Great Lakes.....	3	26,512	7,025,000
St. Lawrence.....	13	12,161	10,386,278
Atlantic Coast.....	3	9,800	7,381,970
Total.....	24	50,439	\$ 26,181,704

The average monthly employment in the industry for 1950 (16 yards reporting) was 8,530, a decrease of $10\frac{1}{2}$ per cent compared with the monthly average for 1949. This figure is still above the minimum level below which the Commission, in its Second Report, recommended that employment in the industry should not be allowed to fall. In order to ensure that the shipbuilding and ship repairing

industries are capable of rapid expansion in an emergency, the Commission still considers it essential that a nucleus of 7,000 men should be maintained in employment.

In the ship repairing branch of the industry 1,662 merchant ships and 64 naval vessels were overhauled, repaired or reconditioned during the year, representing a total expenditure of \$17,130,195. This constitutes an overall reduction of 5 per cent in expenditure on repairs and conversions as compared with 1949, but a closer examination of the figures for the various shipbuilding areas shows a considerable increase, amounting to over 2½ million dollars, in the value of work done in the St. Lawrence area. On the other hand, in the Great Lakes region expenditure declined by over a million dollars, and on the Pacific Coast by nearly two million dollars. The business was distributed over the four shipbuilding areas as follows:—

	<i>Naval</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	6	517	\$ 3,653,624
Great Lakes.....		285	3,086,631
St. Lawrence.....	5	457	5,388,538
Atlantic Coast.....	53	403	5,001,402
Total.....	64	1,662	\$ 17,130,195

A survey carried out by the Commission shows that 13 per cent of the total dollar value of repairs during the year was attributable to repairs for vessels on Canadian registry engaged in deep-sea trade.

It is a fact of considerable strategic importance that Canadian shipyards are not concentrated in any one area, but are distributed over four main geographic regions: the Pacific Coast, the Great Lakes, the St. Lawrence River, and the Atlantic Coast. The Commission has been mindful of this fact when co-ordinating Government shipbuilding requirements and when making recommendations in regard to the placing of orders. In its Second Annual Report, dated June 30, 1949, the Commission expressed the opinion that it would be wise to maintain a nucleus of strategically placed shipyards in Canada capable of expansion in an emergency to meet the requirements of national defence. Such a nucleus has been preserved and is proving adequate to meet the demands of the naval shipbuilding programme. In view of the growing international tension the Commission's recommendation appears to have been justified.

In making its recommendations for the allocation of Government shipbuilding and ship repairing contracts the Commission has carefully considered the following factors:

- (a) The preservation in each shipbuilding area of certain key shipyards possessing technical organizations competent to design either Naval or Merchant vessels;
- (b) The maintenance of a number of secondary shipyards which can readily be expanded in an emergency;

- (c) The minimum level of employment necessary to maintain a nucleus of supervisory staff and skilled labour, having regard to the demands of other branches of industry engaged in defence projects and commercial business;
- (d) The results of a continuing survey of Governmental and commercial shipbuilding orders in preparation or on hand and of the average monthly employment, both technical and labour, in each of the larger shipyards;
- (e) The co-ordination of the shipbuilding and ship repairing requirements of the Department of National Defence with the needs of the Canadian deep-sea and coastal shipping industries.

Contracts for the construction of 18 naval vessels were allocated to Canadian shipyards in 1950 and provided for 4 anti-submarine escort vessels, 10 Influence type minesweepers and 4 gate vessels at an estimated cost of \$43,509,120. Orders placed in Canadian yards for departments of Government other than National Defence amounted to \$715,155 and comprised eight vessels aggregating 1,084 gross tons. Including the nine naval vessels enumerated in last year's report, the naval shipbuilding programme calls for the construction of 27 vessels to be delivered over a three-year period by twelve shipyards in the principal shipbuilding areas. A Government sponsored drawing office is engaged on the development and design of destroyer escorts and subsidiary offices are working on plans for minesweepers and boom defence vessels. For the first time in history steel naval vessels of the Destroyer class are being designed in Canada.

The total dollar value of shipbuilding in preparation or under construction as of March 31, 1951 amounted to approximately \$121,440,285. This sum represents orders for vessels divided among the four shipbuilding areas as follows:—

	<i>Naval</i>	<i>Other Govt.</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	7	2	1	\$ 20,219,250
Great Lakes.....	3	.....	9	32,881,785
St. Lawrence.....	12	2	6	49,570,000
Atlantic Coast.....	5	1	.....	18,769,250
Total.....	<u>27</u>	<u>5</u>	<u>16</u>	<u>\$121,440,285</u>

While it is true that the main impetus to shipbuilding during the past year has been provided by the exigencies of national defence, two other developments have taken place which have had a beneficial effect on shipbuilding in Canada. The first in point of time was the discovery of large reserves of oil in the Province of Alberta. Large quantities of this oil will be carried by pipeline from the oil fields to Superior, Wisconsin, where it will be shipped by tanker to refineries

in Sarnia. To supplement the present tanker fleet Canadian yards on the Great Lakes launched the two largest tankers in the world to be operated on inland waters. Plans are under way for the construction of two additional Great Lakes tankers.

The discovery of vast deposits of iron ore in Labrador has also given an impetus to shipbuilding since its exploitation is likely to hasten the construction of the St. Lawrence Seaway. Two bulk freighters, the largest of their kind ever to be built in Canada, were completed during 1950, and as of March 31, 1951, three additional such vessels were in preparation or under construction.

It is hoped that Canadian shipyards will also derive benefit from an amendment to the Canada Shipping Act passed on June 30, 1950. This provides that "a ship built outside of Canada shall not, without the consent of the Minister, be registered in Canada." The purpose of this amendment was to restrict the practice of importing over-age and obsolescent tonnage which had reached disquieting proportions in the post-war years. During the four-year period from 1946 to 1949, for example, the tonnage of old vessels imported for Great Lakes service (at an average age of 36 years) exceeded the tonnage of similar vessels built in Canada.

The Canadian Vessel Construction Assistance Act which was assented to on December 10, 1949 has given encouragement to the building and conversion of a number of ships and vessels in Canadian shipyards.

The Act imposes on the Commission the duty of approving conversion plans and determining the cost of an approved conversion or the capital cost of a newly built ship.

By March 31, 1951 a total of \$6,015,673.44 spent in Canadian shipyards had been made subject to the benefits of additional depreciation provided by the Act.

During the year planning under the North Atlantic Treaty organization has gone forward with the object of reaching agreement upon principles which would govern the control and allocation of merchant vessels to the common advantage in time of war or emergency. The Canadian Maritime Commission is the Government agency mainly responsible for this planning and its representatives have attended a number of meetings in connection with this work.

A draft plan of organization for implementing the principles agreed upon has been submitted to the North Atlantic Council for consideration and approval. The steps which have already been taken will prove of great value should an emergency arise.

In accordance with the terms of the Canadian Maritime Commission Act, the Commission continued to administer steamship subventions voted by Parliament. Reference has already been made

to the subsidy payable to ocean-going shipping for a period of one year. Over and above this, the Commission has administered the subventions paid for coastal and inland services; these services provide water transportation for outlying communities where the revenue from the service is exceeded by its operating expense.

During the fiscal year 1950-51, 31 coastal and inland steamship services were subsidized; 2 on the West Coast, 2 on the Great Lakes, and 27 on the East Coast including the River and Gulf of St. Lawrence. In addition to these, assistance was given to 9 different routes covering the coasts of Newfoundland.

Subsidies are only provided for coastal services which are essential and where, in most cases, no other means of transportation is available.

As in past years, the Commission's Officers have carried out complete inspections of all the services, and conducted surveys of the economic conditions, physical facilities and alternative means of communication and transport in the areas concerned. A thorough inspection of all the vessels engaged in subsidized services has also been made. The financial results of all subsidized services are subject to exhaustive review and audit by the Commission.

During the year, the Commission considered fourteen applications for new subsidies, allowed one, refused eleven and two are still under consideration. It considered twelve applications for increase in current subsidies, a total of \$1,175,581, and recommended increases in three cases amounting to \$415,000. Two other applications for increases are still under consideration.

The following table gives statistics of Steamship Subventions for the year ended March 31, 1951:

SUBSIDIZED COASTAL SERVICES

Interprovincial Services

Between Quebec, Prince Edward Island and Nova Scotia.....\$	120,000.00
Between Nova Scotia and Prince Edward Island.....	160,000.00
Between Nova Scotia and New Brunswick.....	29,625.00
Between New Brunswick and Quebec.....	22,000.00

Provincial Services

British Columbia.....	445,000.00
New Brunswick.....	103,000.00
Nova Scotia.....	292,654.00
Ontario.....	92,164.32
Quebec.....	887,500.00
Newfoundland.....	1,250,000.00
	<u>\$ 3,401,943.32</u>

In the administration of the subsidy voted for the assistance of the Canadian flag ocean shipping industry, the Subsidies Branch of the Commission has examined voyage accounts, crew lists, and other relevant particulars of the services performed by the ships under contract before any payments were authorized.

The Commission continued its work of winding up the Park Steamship Company; this is a Crown company of which the three Commissioners are directors.

During the war this Company operated a total of 176 vessels. At the end of the war, the Company, as agents of War Assets Corporation, undertook the administration of the Government's policy for the disposal of Crown-owned ships to private operators.

In addition to this work, there remained to be cleared up a considerable amount of detailed accounts from the Company's war-time operations.

The Company continued to collect charter hire from the United Kingdom Government for the vessels remaining on charter; it also continued its work in connection with the settlement of outstanding voyage accounts and the adjustment of insurance claims.

In its capacity as agent for Crown Assets Disposal Corporation the Company supervised the sale to Canadian owners of the last 58 vessels on charter to the United Kingdom Ministry of Transport; the last of these vessels was delivered on February 5, 1951; it also took delivery of two supply vessels returned by the United Kingdom, and arranged their sale to Canadian owners.

In addition to the sale of vessels the Company continued to assist Crown Assets Disposal Corporation in the collection of certain mortgage payments due on vessels sold by the Corporation and to supervise the insurance matters relating to these vessels; though Crown Assets Disposal Corporation undertook this insurance supervision after March 31, 1951, the Company continues to act in an advisory capacity when required.

The Company received the balance of charter hire from the United Kingdom Government and with these and other collections it was able to remit the sum of \$1,863,250 to the Receiver General of Canada.

During the period under review the number of paid employees on the company's payroll was progressively reduced from the figure of 7 on March 31, 1950, mentioned in our Third report, and on March 31, 1951, the last three paid employees were released; since that date the affairs of the Company have been handled by the staff of the Commission.

The Commission has continued to act as technical adviser to the Canadian Commercial Corporation in all matters pertaining to shipbuilding and ship repairing. The Commission has also acted as a liaison between the Naval Shipbuilding officers, the Corporation and the shipbuilding industry.

The Commission has assisted the Department of National Defence in connection with its overseas shipping movements. These activities consisted principally of arranging shipping space for North Atlantic Treaty Organization re-armament cargoes and the provision of Canadian vessels to support the movement of Canadian troops and supplies in the United Nations' action in Korea. It also gave assistance to the Canadian Commercial Corporation in arranging shipment of commodities purchased abroad by the Corporation.

The Commission has continued to advise the Department of National Revenue on applications for the suspension of Canada's coastal laws to permit the operation of foreign flag or foreign-built ships in special circumstances.

In our Second Annual Report dated June 30, 1949, we dealt with the investigations which were carried out under powers vested in the Commission in Section 7 of the Canadian Maritime Commission Act. During the past year these investigations have been continued and enlarged. The Commission keeps records of shipping services available for Canadian domestic waterborne trade and for Canadian exports and imports. Continuing studies of the operating costs of Canadian ships including maintenance, repairs and wages, along with records of vessel movements and the compilation of statistical information on current freight markets are a feature of the day-to-day activities of the Commission.

Mr. J. V. Clyne, who had been Chairman of the Commission since its establishment resigned on July 7, 1950 on his appointment to the Bench of the Supreme Court of British Columbia.

Mr. J-C Lessard, Deputy Minister of Transport, assumed the Chairmanship of the Commission on December 13, 1950.

Mr. Angus McGugan, whose term as Commissioner expired on November 1, 1950, was reappointed for a further term of five years.

The Staff of the Commission on March 31, 1951, numbered 28—12 permanent and 16 temporary—whose annual salaries together with salaries paid to members of the Commission amounted to \$122,878.04.

Dated at Ottawa, this 26th day of June, 1951.

J-C LESSARD,
Chairman.

L. C. AUDETTE,
Commissioner.

ANGUS MCGUGAN,
Commissioner.

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Government
Publications

FIFTH REPORT
OF THE
CANADIAN
MARITIME COMMISSION

JUNE 30, 1952

**SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947**

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FIFTH REPORT

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JUNE 30, 1952

**SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947**

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1952

The Honourable LIONEL CHEVRIER, P.C., Q.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act 1947, I have the honour to submit herewith the fifth report of the Canadian Maritime Commission, covering the period between April 1st, 1951 and March 31st, 1952.

I have the honour to be, Sir,

Your obedient servant,

J-C. LESSARD,
Chairman.

Ottawa,
June 24, 1952.

Fifth Report

of the

Canadian Maritime Commission

This Report covers the period between April 1, 1951 and March 31, 1952.

In our last Report it was noted that during 1950-51 the world shipping situation had undergone a complete change and that freight rates, and consequently market values of ships, had risen by very large amounts.

During the period now under report these increases have, to some extent, levelled off; nevertheless the shipping industry has enjoyed and continues to enjoy prosperity. History and experience have, however, clearly shown that the welfare of this industry runs in cycles of prosperity and adversity and it is not possible to foretell when a break in the market is likely to occur; as long as the present defence preparations have to be maintained they will contribute to supporting the market.

During the year Canadian shipyards have received further orders for naval shipbuilding and there has been considerable building for commercial services on the Lakes. This will be dealt with in more detail in a later part of the Report.

The Replacement Plan administered by the Commission, and fully described in our previous Reports, has continued to operate during the year. In view of defence considerations and the availability of employment for Canadian ships, permission to sell 10,000-ton deadweight ships abroad has been made conditional upon the undertaking of immediate and concurrent replacement.

Under this policy two ocean-going tankers of 28,000 tons each have been ordered from a Canadian shipyard, on one of which building has already commenced.

During the year under review \$3,500,000 have been placed in escrow as the result of the sale of five ships abroad. The comparatively high return is an evidence of the improved sale market conditions then prevailing.

During the same period \$14,500,000 have been withdrawn from the funds to assist in the construction of new ships. Except in two cases these vessels have all been for operation on the Great Lakes, St. Lawrence and coastal waters. As a result of the Commission's present policy to allow not more than one third of the cost of non-ocean-going vessels to be met by the assignment of escrow funds the value of ships built or building will be considerably in excess of such funds used or acquired for that purpose.

The use of escrow funds also carries with it the obligation to continue operation under Canadian flag where such funds are used for building, conversion or improvements and to date this has resulted in 18 vessels acquiring this covenant where it did not previously apply.

Since the inception of the plan in 1948, \$36,000,000 gross have been placed in escrow resulting from the sale of 62 ships. Of the net total after allowing withdrawal of commission and sale expenses \$30,500,000 have been used or allocated and the total unencumbered balance remaining in the fund at the end of the fiscal year was \$3,500,000.

In furtherance of the replacement programme and in connection with the current building of two ocean-going tankers the sale of an additional nine vessels has been approved for delivery to purchasers during the Summer of 1952.

During the year 1951 activity increased in all shipbuilding countries, and the demand for new tonnage showed no sign of abatement. The world merchant fleet increased by 2.6 million gross tons and, including the U.S. reserve fleet, now totals 87.2 million gross tons. This is 27 per cent greater than the pre-war figure. A notable feature of the past year has been the revival and increased activity of the shipbuilding industry in such countries as Japan, Italy, Germany, France, Denmark, Norway, Belgium and Holland. In most cases tonnage output exceeded that for 1939.

In Canada the shipbuilding industry has reached a post-war peak. Employment is increasing month by month, and orders are in hand for new construction to the value of over \$233,000,000. Although the greater portion of this sum will be derived from naval shipbuilding, the Commission notes with satisfaction that orders in excess of \$64,000,000 have been placed for merchant shipbuilding.

What must also be regarded as an encouraging development took place toward the end of 1951. This was the placing of an order for a 28,000-deadweight ton tanker for Canadian registry, the first ocean-going vessel to be constructed under the Commission's replacement plan, followed early in the new year by an order from the

same owners for a second tanker of similar dimensions. The Commission has always been anxious to see the primary purpose of the plan fulfilled through the building of new ocean-going tonnage, and it is to be hoped that the two new tankers will prove to be the forerunners of other ocean-going vessels built in Canadian shipyards.

During 1951 the Canadian shipbuilding industry delivered 18 vessels, particulars of which are given in Appendix I. Three of these vessels, totalling 5,214 gross tons and valued at \$4,062,738, were for export to dollar countries. Twelve ships, including a fire-fighting vessel built for the city of Vancouver, were for private domestic account; their combined tonnage was 29,684 gross tons and their value amounted to \$8,752,601. The remaining three vessels, totalling 181 gross tons and valued at \$89,315, were for Federal Government departments. Among the vessels built for export was the world's largest train ferry, now in service in the Gulf of Mexico; among those built for domestic account were two of the largest tankers in the world to be operated on inland waters.

Vessels delivered in the four principal shipbuilding areas were as follows:—

	<i>No.</i>	<i>Gross Tons</i>	<i>Approximative Dollar Value</i>
Pacific Coast.....	5	1,764	\$ 601,001
Great Lakes.....	6	25,776	8,256,600
St. Lawrence.....	7	7,539	4,047,053
Atlantic Coast.....	—	—	—
	18	35,079	\$ 12,904,654

Compared with 1950 there was a falling-off in total deliveries of 30½ per cent in tonnage and of 51 per cent in dollar value. This decline is not reflected in the monthly employment figures for the industry, which on the contrary have shown a steadily rising curve over the past fifteen months. The decline was due to the increasing tempo of the naval shipbuilding programme with its concomitant diversion of the industry's manpower and resources.

The average monthly employment in the industry for 1951 (19 yards reporting) was 12,015, an increase of nearly 41 per cent compared with the monthly average for 1950. Although there was a considerable expansion in ship repairs this was not large enough wholly to account for the increase in employment. As in the corresponding case of the falling-off in merchant ship deliveries during the year, the increase in employment was mainly attributable to the expanding naval shipbuilding programme. In order that the recent increase in average monthly employment may be seen in perspective, we give below the figures for the principal shipbuilding areas during the period 1946 to March, 1952.

AVERAGE MONTHLY EMPLOYMENT IN CANADIAN
SHIPBUILDING INDUSTRY

	<i>No. of yds. Reporting</i>	<i>Pacific Coast</i>	<i>Great Lakes</i>	<i>St. Lawrence</i>	<i>Atlantic Coast</i>	<i>Total</i>
1946	16	4,988	2,148	6,272	2,991	16,399
1947	16	4,119	1,485	8,874	2,657	17,135
1948	16	2,949	2,308	8,045	1,976	15,278
1949	16	1,496	2,168	4,230	1,937	9,831
1950	17	1,100	2,202	3,892	1,336	8,530
1951	19					
Jan.		1,339	2,116	3,370	1,396	8,221
Feb.		1,390	2,435	3,885	1,542	9,252
Mar.		1,560	2,633	4,069	1,730	9,994
Apr.		1,789	2,656	4,335	1,660	10,440
May		1,822	2,615	4,629	1,620	10,686
June		2,219	2,650	5,021	1,602	11,492
July		2,214	2,689	5,404	1,732	12,039
Aug.		2,519	2,761	5,894	2,042	13,216
Sept.		2,557	2,921	6,243	2,277	13,988
Oct.		2,692	3,182	6,726	2,303	14,903
Nov.		2,465	3,413	6,754	2,391	15,023
Dec.		2,393	3,455	6,389	2,484	14,721
1952	19					
Jan.		2,418	3,718	6,811	2,622	15,569
Feb.		2,616	3,975	7,414	2,769	16,774
Mar.		2,735	4,033	7,797	2,950	17,515

In the ship repairing branch of the industry 2,141 merchant ships and 63 naval vessels were overhauled, repaired or reconditioned during the year, representing a total expenditure of \$24,335,180. This constitutes an overall increase of 41½ per cent in expenditure on repairs and conversions as compared with 1950. An examination of the figures shows that each of the four shipbuilding areas participated in the increase, which amounted in all to more than \$7,000,000. There was an increase of \$3,000,000 on the Pacific Coast, over \$1,500,000 in the Great Lakes region, and \$2,000,000 in the St. Lawrence area. On the Atlantic Coast the increase amounted to \$750,000. The business was distributed over the four shipbuilding areas as follows:—

	<i>Naval</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	5	583	\$ 6,603,553
Great Lakes.....	—	238	4,636,319
St. Lawrence.....	13	921	7,345,077
Atlantic Coast.....	45	399	5,750,231
	63	2,141	\$24,335,180

For purposes of comparison the value of ships delivered and of repairs and conversions carried out in Canadian shipyards from 1946 to 1951 is given in Appendix II.

The current naval shipbuilding programme has had a marked effect on Canadian industry in general. By stressing the Canadian supply of machinery and components it has broadened the whole

basis of the industries allied with shipbuilding. During 1951 the Commission's recommendations resulted in the allocation of contracts for the construction of 12 naval vessels, comprising 7 anti-submarine escort vessels, 2 crane lighters, 2 tugs and one loop layer, at an estimated cost of approximately \$59,600,000. Including the 27 naval vessels enumerated in previous reports, the naval shipbuilding programme calls for the construction of 39 vessels by thirteen major shipyards.

The total dollar value of shipbuilding in preparation or under construction as of March 31, 1952, amounted to approximately \$233,476,550. This sum represents orders for vessels divided among the four shipbuilding areas as follows:—

	<i>Naval</i>	<i>Other Govt.</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	11	—	—	\$49,965,000
Great Lakes.....	3	—	10	40,692,300
St. Lawrence.....	16	2	10	111,421,000
Atlantic Coast.....	9	1	—	31,398,250
	39	3	20	\$233,476,550

While it remains true that the chief impetus to shipbuilding during the past year was provided by the naval shipbuilding programme, a factor of great importance has been the growing demand of the steel industry for the transportation of iron ore on the Great Lakes. The completion of the St. Lawrence Seaway may well stimulate the design and construction of dual-purpose vessels for transporting iron ore from the Labrador range to American and Canadian steel mills on the Great Lakes, returning with cargoes of grain or oil from the prairie provinces. In the meantime no less than six 12,000-ton deadweight upper lakes freighters of conventional design are in preparation or under construction in Great Lakes shipyards.

As was forecast in our last year's report, the rapid development of the Canadian oil industry is also having a beneficial effect on shipbuilding. In conjunction with the pipe line, which brings the oil from the Alberta oil fields down to Superior, Wisconsin, plans are under way for the construction of three additional Great Lakes tankers to supplement the present tanker fleet.

Appendix III gives particulars of 20 merchant vessels in preparation or under construction as of March 31, 1952.

In accordance with the terms of the Canadian Maritime Commission Act, the Commission continued to administer Steamship Subventions voted by Parliament.

During the early part of the year the nine remaining agreements covering subsidy assistance for one year only to the Canadian Flag Ocean Shipping Industry terminated. Subsidy paid during this period was \$337,500. In all, 37 Canadian Flag vessels received assistance under the Government's subsidy plan announced by the Prime Minister on December 9, 1949. Out of a total amount of \$3,000,000 provided for this purpose \$2,696,472.50 was expended.

The subsidy contract between the Commission and the Canadian Australasian Line, Limited for the operation of the R.M.S. "AORANGI", on the service between Vancouver, New Zealand and Australia expired on March 31, 1952. By agreement between the three Governments concerned the Commission renewed the contract for one year. The annual subsidy for this service is \$250,000, of which Canada's share is \$166,666.67, Australia's \$62,500 and New Zealand's \$20,833.33.

In addition to the foregoing, the Commission administered subventions paid for coastal and inland waters services; these services provide essential water transportation where the services are not commercially viable.

During the fiscal year 1951-52, 31 coastal and inland waters steamship services were subsidized; 2 on the West Coast, 2 on the Great Lakes and 27 on the East Coast, including the River and Gulf of St. Lawrence. In addition to these, assistance was given to 9 different routes covering the coast of Newfoundland.

The Commission's officers have carried out inspections of all the services, and conducted surveys of the economic conditions, rate structure, physical facilities and alternative means of communication and transport in the areas concerned. An inspection of all the vessels engaged in subsidized services has also been made. The financial results of all subsidized services were reviewed and analyzed by the Commission. As a result of these surveys it is becoming evident that by the improvement of roads and the employment of other media of transportation such as that by automobile, truck and airplane, adjustment of certain subsidized services, either by integration or elimination, is becoming necessary. The Commission has this phase of the situation under constant study and review and changes that may be found necessary will be reflected in future subsidized operations.

During the year, the Commission considered three applications for new subsidies; of these it refused two and one is still under consideration. It considered eight applications for increase in current subsidies, a total of \$154,957, and recommended increases in five cases amounting to \$120,862; two applications were denied and

one is still under consideration. One subsidized service was discontinued, a certain portion of the route of which was integrated with another service. Tenders were called for continuation of one service resulting in an annual increase in subsidy of \$3,250.

The following table gives statistics of Steamship Subventions for the year ended March 31, 1952.

SUBSIDIZED COASTAL SERVICES

Interprovincial Services

Between Quebec, Prince Edward Island and Nova Scotia.....	\$ 120,000.00
Between Nova Scotia and Prince Edward Island.....	130,000.00
Between Nova Scotia and New Brunswick.....	29,625.00
Between New Brunswick and Quebec.....	19,000.00

Provincial Services

British Columbia.....	\$ 491,555.00
New Brunswick.....	103,000.00
Nova Scotia.....	315,874.32
Ontario.....	135,549.78
Quebec.....	890,500.00
Newfoundland.....	1,590,000.00
	<u>\$3,825,104.10</u>

SUBSIDIZED OCEAN SERVICES

Canada, New Zealand and Australia.....	\$ 166,666.67
Total Coastal and Ocean Services.....	<u>\$3,991,770.77</u>
Balance of payments under the one year plan of Assistance to the Canadian Flag Ocean Shipping Industry—Subsidy.....	\$ 337,500.00
Total.....	<u>\$4,329,270.77</u>

NOTE: The above total is after a recapture of subsidy from the following services—

Prescott and Ogdensburg.....	\$ 6,218.13
Owen Sound and Manitoulin Island.....	33,539.09
Total refund.....	<u>\$ 39,757.22</u>

The Park Steamship Company, a Crown Corporation which during the last war controlled the operation of 176 vessels, is not very active at present; the work of clearing up outstanding accounts is being handled by the staff of the Commission, whose three Commissioners are its sole directors.

A total of \$841,175.51 was collected during the year from Underwriters, as result of litigation and in settlement of miscellaneous outstanding claims which enabled the company to remit the sum of \$855,000 to the Receiver General of Canada.

The Company continues to act as agent for Crown Assets Disposal Corporation in matters concerning ship sales and collection of outstanding mortgages and also to act in an advisory capacity when required by the Corporation.

The Company's charter is being maintained and its facilities could be readily expanded in case of need.

The Canadian Vessel Construction Assistance Act has continued to encourage the building and conversion of ships and vessels of all sizes in Canadian shipyards.

The Act imposes on the Commission the duty of approving conversion plans and determining the cost of an approved conversion or the capital cost of a newly built ship.

During the year under review a total of \$13,187,866.85 has been determined by the Commission as eligible for the benefits of additional depreciation provided by the Act.

In April 1951 a further meeting of the North Atlantic Planning Board for Ocean Shipping was held in London. The Commission was represented on the Canadian delegation to this meeting by one of the Commissioners.

The Commission has continued to act as technical adviser to the Department of Defence Production on matters pertaining to shipbuilding and ship repairing. The Commission has also effected liaison between the naval shipbuilding officers, the Department of Defence Production and the shipbuilding industry.

In conjunction with the Royal Canadian Navy and the Department of Transport, the Commission has initiated arrangements for implementing the Government's policy of fitting degaussing and other defensive equipment to merchant ships building for Canadian registry.

The Commission has continued to assist the Department of National Defence in connection with its overseas shipping movements. The principal movements during the year were those related to the despatch of the Canadian Brigade to Europe and the shipment of arms and munitions to Europe for countries in the North Atlantic Treaty Organization. The Canadian forces acting under the United Nations in Korea have been supported mainly by the United States Military Sea Transportation Service acting on behalf of the Canadian Government.

On applications for the suspension of Canada's coastal laws to permit the operation of foreign flag or foreign built ships in special circumstances the Commission has continued to advise the Department of National Revenue.

With the Department of Transport the Commission has advised the Minister of Transport in the administration of Section 21A of the Canada Shipping Act relating to the registration in Canada of ships built outside of Canada.

The Department of Finance and the Commission have consulted at length with the industry on the subject of War Risks Insurance in the event of hostilities. These consultations have resulted in the preparation of a Bill by the Department of Finance for presentation to Parliament.

The Commission has kept continuous records of freight rates, movements and employment of Canadian owned ships, both deep-sea and on inland waters.

Appendix IV to this report shows the shipping services maintained to and from Canada and brings up to date Table VIII, given on page 32 of the Commission's Second Annual Report. The operating costs of ships on Canadian registry are kept continually under review and Appendix V of this report, showing the operating costs of ships on Canadian and on United Kingdom registry, brings up to date some of the data given in Table XII on page 41 of our Second Annual Report.

In August 1951, a Transport Controller was appointed to deal with the problems which had arisen principally in the shipment of grain from the Lakehead. The Deputy Transport Controller was drawn from the Commission's staff and its records and facilities were made available to assist the Controller in his task.

The staff of the Commission on March 31, 1952 numbered 26, whose annual salaries, together with salaries paid to members of the Commission, amounted to \$121,465.52.

Dated at Ottawa the 24th day of June, 1952.

J.-C. LESSARD,
Chairman.

L. C. AUDETTE,
Commissioner.

ANGUS MCGUGAN,
Commissioner.

APPENDIX I

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY CANADIAN SHIPYARDS
DURING 1951

Name of Owner	Name of Ship	Length b.p. Beam and Depth	Power Plant and Fuel	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Vancouver Tugboat Company Limited.	<i>V.T. No. 35.</i>	150.2 42.0 10.5	Non-prop. ....	.....	590	Yarrows Limited.	Steel Cargo Barge
Vancouver Tugboat Company Limited.	<i>V.T. No. 36.</i>	150.2 42.0 10.5	Non-prop. ....	.....	590	Yarrows Limited.	Steel Scow
City of Vancouver	<i>Vancouver Fireboat No. 2.</i>	82.9 21.6 8.7	1,100 b.h.p. Kernath T/S Motor Gasoline Fuel	12 knots. .	119	Yarrows Limited.	Fireboat
Department of Resources and Develop- ment.	<i>Campbell.</i>	60.0 20.1 4.4	165 b.h.p. S/S Diesel Oil Fuel	8 knots. .	46	Victoria Machinery Depot Company Limited.	Self-propelled Barge
H. R. MacMillan Company Limited. .	<i>Harmac 50.</i>	120.0 40.0 10.1	Non-prop. ....	.....	419	Burrard Dry Dock Company Limited.	Steel Scow
Pipe Line Tankers Limited.	<i>Imperial Redwater.</i>	601.5 68.3 34.7	4,500 s.h.p. John Inglis S/S Turbine Oil Fuel	13 knots. .	12,582	Port Arthur Shipbuilding Company Limited.	Oil Tanker

Pipe Line Tankers Limited.....	<i>Imperial Leduc</i>	601.7 68.2 34.6	4,500 s.h.p..... John Inglis S/S Turbine Oil Fuel	13 knots..	12,595	Collingwood Shipyards Limited...	Oil Tanker
Prescott & Ogdensburg Ferry Company Limited.	<i>Fort Town</i>	57.5 36.5 8.8	320 b.h.p..... Gen. Motors T/S Diesel Oil Fuel	11 m.p.h..	135	Muir Bros. Dry Dock Company Limited.	Auto-passenger Ferry
Prescott & Ogdensburg Ferry Company Limited.	<i>Maple City</i>	57.5 36.5 8.8	320 b.h.p..... Gen. Motors T/S Diesel Oil Fuel	11 m.p.h..	135	Muir Bros. Dry Dock Company Limited.	Auto-passenger Ferry
City of Toronto.....	<i>Progress III</i>	86.1 34.1 6.5	Non-prop.....	.....	167	Muir Bros. Dry Dock Company Limited.	Steel Derrick Scow
McNamara Construction Company Limited.	<i>McNCO No. 10</i>	88.1 26.1 8.6	Non-prop.....	.....	162	Muir Bros. Dry Dock Company Limited.	Steel Dump Scow
West India Fruit & Steamship Company Inc.	<i>New Grand Haven</i>	435.0 70.0 42.3	10,640 i.h.p..... T/S Vickers Skinner-Unaflo Oil Fuel	17½ knots.	5,074	Canadian Vickers Limited.....	Train Ferry
Branch Lines Limited.....	<i>Cedarbranch</i>	252.6 43.6 20.3	1,600 b.h.p..... Fairbanks, Morse S/S Diesel Oil Fuel	8 knots...	2,144	Marine Industries Limited.....	Canal-size Tanker
Govt. of Venezuela.....	<i>Catatumbo</i>	63.0 19.0 7.9	600 h.p..... Gen. Motors S/S Diesel Oil Fuel	21 m.p.h..	70	Marine Industries Limited.....	Patrol Vessel
Govt. of Venezuela.....	<i>Caroni</i>	63.0 19.0 7.9	600 h.p..... Gen. Motors S/S Diesel Oil Fuel	21 m.p.h..	70	Marine Industries Limited.....	Patrol Vessel

APPENDIX I—*Concluded*

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY CANADIAN SHIPYARDS
DURING 1951—*Concluded*

Name of Owner	Name of Ship	Length b.p. Beam and Depth	Power Plant and Fuel	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Dept. of Transport.....	<i>Ontario-St. Lawrence Canals Dump Scow No. 21.</i>	(Feet and 10ths) 70.1 22.1 6.7	Non-prop.....	.....	85	Geo. T. Davie & Sons Limited....	Steel Dump Scow
Dept. of Public Works.....	<i>P.W.D. No. 72.....</i>	46.1 20.1 6.9	Non-prop.....	.....	48	Geo. T. Davie & Sons Limited....	Steel Dump Scow
Dept. of Public Works.....	<i>P.W.D. No. 73.....</i>	46.1 20.1 6.9	Non-prop.....	.....	48	Geo. T. Davie & Sons Limited....	Steel Dump Scow

APPENDIX II
VALUE OF SHIPS DELIVERED AND OF REPAIRS AND CONVERSIONS CARRIED OUT IN CANADIAN SHIPYARDS, 1946-1951

Shipbuilding Area	1946	1947	1948	1949	1950	1951
<i>Pacific Coast</i>						
Shipbuilding.....	\$ 6,047,898	\$ 3,976,066	\$21,127,252	\$ 5,114,021	\$ 1,502,800	\$ 601,001
Repairs and Conversions.....	8,744,194	9,892,870	7,983,945	5,520,142	3,653,624	6,603,553
	14,792,092	13,868,936	29,111,197	10,634,163	5,156,424	7,204,554
<i>Great Lakes</i>						
Shipbuilding.....	6,724,000	102,000	8,953,700	5,210,996	7,025,000	8,256,600
Repairs and Conversions.....	2,211,810	2,652,655	2,883,436	4,310,629	3,086,631	4,636,319
	8,935,810	2,754,655	11,837,136	9,521,625	10,111,631	12,892,919
<i>St. Lawrence</i>						
Shipbuilding.....	12,625,772	34,981,491	52,849,028	21,360,807	10,371,383	4,047,053
Repairs and Conversions.....	5,977,913	5,514,997	4,791,317	2,970,850	5,388,538	7,345,077
	18,603,685	40,496,488	57,640,345	24,331,657	15,759,921	11,392,130
<i>Atlantic Coast</i>						
Shipbuilding.....	4,569,550	5,424,207	4,325,289	55,000	7,381,980	.....
Repairs and Conversions.....	7,176,211	9,529,479	6,990,299	5,230,875	5,001,402	5,750,231
	11,745,761	14,953,686	11,315,588	5,285,875	12,383,372	5,750,231
<i>Summary</i>						
Shipbuilding.....	29,967,210	44,483,764	87,255,269	31,740,824	26,281,153	12,904,654
Repairs and Conversions.....	24,110,128	27,690,001	22,648,997	18,032,496	17,130,195	24,335,180
	\$54,077,338	\$72,173,765	\$109,904,266	\$49,773,320	\$43,411,348	\$37,239,834

APPENDIX III

PARTICULARS OF MERCHANT VESSELS IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1952

(A) DRY CARGO

Name of Owner	Name of Ship	Length o.a., Beam and Depth	Power Plant and Fuel	Estimated Speed	Estimated dead- weight Carrying Capacity*	Name of Shipyard	Type of Vessel
Canada Steamship Lines Limited	<i>Sir James Dunn</i> ...	663'-6½" 67'-0" 35'-0"	4,000 i.h.p..... S/S Steam Skinner Unaflo Oil Fuel	13 m.p.h..	18,750	Port Arthur Shipbuilding Co. Ltd.	Upper Lakes Bulk Freighter
Canada Steamship Lines Limited	<i>Hull No. 110</i>	663'-6½" 67'-0" 35'-0"	4,000 i.h.p..... S/S Steam Skinner Unaflo Oil Fuel	13 m.p.h..	18,750	Port Arthur Shipbuilding Co. Ltd.	Upper Lakes Bulk Freighter
Algoma Steamships Limited.....	<i>Hull No. 111</i>	574'-3" 59'-0" 31'-0"	3,300 s.h.p..... S/S Steam Turbine Oil Fuel	14 m.p.h..	11,800	Port Arthur Shipbuilding Co. Ltd.	Upper Lakes Bulk Freighter
Upper Lakes & St. Lawrence Transportation Company Limited.	<i>James Norris</i>	663'-6½" 67'-0" 35'-0"	4,000 i.h.p..... S/S Steam Skinner Unaflo Oil Fuel	13 m.p.h..	18,750	Midland Shipyards Limited.....	Upper Lakes Bulk Freighter
Upper Lakes & St. Lawrence Transportation Company Limited.	<i>Gordon C. Leitch</i> ...	663'-6½" 67'-0" 35'-0"	4,000 i.h.p..... S/S Steam Skinner Unaflo Oil Fuel	13 m.p.h..	18,750	Midland Shipyards Limited.....	Upper Lakes Bulk Freighter
Marathon Paper Mills of Canada Limited.	<i>D. C. Everest</i>	259'-0" 42'-6" 21'-0"	1,400 b.h.p..... S/S Diesel Oil Fuel	13½ m.p.h.	3,000	Canadian Shipbuilding & Engi- neering Limited, Kingston, Ont.	Canal-size Woodpulp Carrier
Colonial Steamships Limited....	<i>John O. McKellar</i> ...	678'-0" 68'-0" 36'-0"	6,600 s.h.p..... S/S Steam Turbine Oil Fuel	15 m.p.h.	19,200	Port Weller Dry Docks Limited.	Upper Lakes Bulk Freighter

Hall Corporation of Canada Limited.	<i>Frankliffe Hall</i> ...	259'-0" 43'-6" 20'-9"	640 h.p. T/S Diesel Oil Fuel	8½ knots..	2, 890	Canadian Vickers Limited, Montreal, Que.	Canal-size Bulk Freighter
Flota Mercante Grancolumbiana	<i>Hull Nos. 256-257- 258-259.</i>	395'-0" 55'-0" 33'-6"	4,275 h.p. Diesel	15 knots..	5, 900	Canadian Vickers Limited, Montreal, Que.	Ocean-going Dry Cargo Vessels.
Kent Line Limited.....	<i>Wellington Kent</i> ...	259'-0" 43'-6" 22'-0"	1,600 h.p. S/S Diesel Oil Fuel	10½ knots..	3, 430	Geo. T. Davie & Sons Ltd., Lauzon, Levis, Que.	Canal-size Pulpwood Carrier

(B) TANKERS

Imperial Oil Limited.....	<i>Imperial Woodbend</i>	620'-0" 68'-0" 35'-0"	4,500 s.h.p. S/S Steam Turbine Oil Fuel	13 knots..	15, 800	Collingwood Shipyards Limited.	Upper Lakes Oil Tanker
Imperial Oil Limited.....	<i>Hull No. 147.</i>	620'-0" 68'-0" 35'-0"	4,500 s.h.p. S/S Steam Turbine Oil Fuel	13 knots..	15, 000	Collingwood Shipyards Limited.	Upper Lakes Oil Tanker
British American Oil Company Limited.	<i>B-A Peerless.</i>	620'-0" 68'-0" 35'-0"	4,500 s.h.p. S/S Steam Turbine Oil Fuel	13 knots..	15, 800	Collingwood Shipyards Limited.	Upper Lakes Oil Tanker
Andros Shipping Co. Ltd.....	<i>Hull Nos. 595-596</i>	624'-7" 84'-0" 44'-0"	13,750 h.p. Steam Turbine Oil Fuel	16 knots..	28, 000	Davie Shipbuilding & Repairing Co. Ltd., Lauzon, Levis, Que.	Ocean-going Tankers

(C) MISCELLANEOUS

Beauharnois Light Heat & Power Company Limited.	<i>Hydro-Quebec</i>	220'-0" 58'-0" 15'-0"	Non-prop. (Main Pump 8,000 h.p.)	.....	.....	Marine Industries Limited, Sorel, Que.	36' Hydraulic Dredge. (4,500 displ. tons)
La Compagnie de la Traversée du St. Laurent Limitee.	<i>Arthur Cardin</i>	168'-4" 40'-0" 11'-0"	480 h.p. T/S Diesel Oil Fuel	11 knots..	.....	Marine Industries Limited, Sorel, Que	Auto-passenger Ferry (466 gross tons).

(*Tons of 2,240 lbs. Includes cargo, fuel, water and consumable stores.)

1951 CARGO-LINER SERVICES

Service	Number and Nationality of Lines		Average Sailings per Month
Montreal and Atlantic Ports to United Kingdom.	1 Canadian 1 Norwegian 1 Greek 1 Panamanian	11 British 1 Irish 1 Italian	34
Pacific Coast Ports to United Kingdom...	4 Canadian 1 Danish 1 Swedish 1 American	4 British 2 Norwegian 1 Dutch	18
Great Lakes Ports to United Kingdom....	1 Norwegian	1 British	3
Montreal and Atlantic Ports to Northern Europe.	1 Canadian 3 Norwegian 1 Swedish 1 Greek 1 Panamanian	3 British 1 French 1 Dutch 1 Italian	23
Pacific Coast Ports to Northwest Europe..	2 British 2 Norwegian 1 French	2 American 1 Swedish 1 Danish	15
Great Lakes to Northwest Europe.....	1 Norwegian 1 Swedish	1 Dutch 1 German	6
Montreal and Atlantic Ports to Mediterranean.	1 Canadian 1 Israeli	1 Italian 1 French	5
Pacific Coast Ports to Mediterranean.....	2 American 1 Greek	1 Italian 1 Israeli	6
Montreal and Atlantic Ports to West Indies and Caribbean.	4 Canadian 1 Swedish	1 American 1 South American	16
Pacific Coast Ports to West Indies and Caribbean.	1 British 1 Norwegian	3 American 1 Panamanian	8
Montreal and Atlantic Ports to South Africa.	1 British 1 South African	1 Norwegian	4
Pacific Coast Ports to South Africa.....	2 Canadian	1 British	3
Montreal and Atlantic Ports to India and Persian Gulf.	1 Canadian 1 American 1 Norwegian	3 British 1 Indian	76
Pacific Coast Ports to India and Persian Gulf.	1 British	2 American	4
Montreal and Atlantic Ports to South America.	2 American	1 South American	4
Pacific Coast Ports to South America.....	1 British 1 Norwegian 1 South American	3 American 1 Panamanian	10
Montreal and Atlantic Ports to Australia and New Zealand	1 British		2

APPENDIX IV—*Concluded*1951 CARGO-LINER SERVICES—*Concluded*

Service	Number and Nationality of Lines		Average Sailings per Month
Pacific Coast Ports to Australia and New Zealand	1 Canadian 1 American 1 Norwegian	1 British 1 Swedish	6
Montreal and Atlantic Ports to China, Japan and East Indies.	1 Canadian 2 American	3 British 1 Danish	5
Pacific Coast Ports to China, Japan and East Indies.	1 Canadian 4 American 1 Norwegian 1 Japanese	1 British 2 Swedish 1 Philippine	25

APPENDIX V

COMPARISON OF ESTIMATED DAILY OPERATING COSTS FOR 10,000-TON
DEADWEIGHT STANDARD WAR-BUILT VESSELS

(Excluding fuel oil and depreciation)

Averages for the years 1948 and 1951, based on official exchange rates in effect on March 31, 1949,
and March 31, 1952

Vessel Expenses	Canada		United Kingdom	
	1948	1951	1948	1951
Total Wage Cost.....	\$345.50	\$293.00	\$171.56	\$138.75
Subsistence.....	65.00	64.00	46.50	36.90
Stores and Supplies.....	77.00	58.00	60.20	50.00
Repairs and Maintenance..... (excluding surveys)	155.00	78.50	94.00	51.25
Insurance.....	113.00	132.00	101.70	131.10
Sundries.....	10.00	13.00	12.50	22.00
Management.....	45.00	55.50	39.00	55.00
	\$810.50	\$694.00	\$525.46	\$485.00

NOTE:—It has not been possible to obtain sufficient information on operating costs for similar vessels under other flags, as set out in the Second Annual Report, to publish accurate comparisons.

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SIXTH REPORT

OF THE

**CANADIAN
MARITIME COMMISSION**

JUNE 29, 1953

SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1953

The Honourable LIONEL CHEVRIER, P.C., Q.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act 1947, I have the honour to submit herewith the sixth report of the Canadian Maritime Commission, covering the period between April 1st, 1952 and March 31st, 1953.

I have the honour to be, Sir,

Your obedient servant,

J.-C. LESSARD,
Chairman.

Ottawa,
June 29, 1953.

TABLE I
CANADIAN MERCHANT FLEET
(Ships of 1,000 Gross Tons and Over)

<i>Ocean-going Ships in Foreign Trade</i>	<i>March 31, 1952</i>		<i>March 31, 1953</i>	
	<i>No.</i>	<i>Gross Tons</i>	<i>No.</i>	<i>Gross Tons</i>
War-built Cargo Ships				
10,000 tonners.....	42	300,734	34	243,520
4,700 tonners.....	12	34,922	10	29,167
Passenger Ships.....	3	25,116	1	9,034
Diesel Cargo Ships.....	3	20,236	3	20,236
Other Cargo Ships.....	5	23,690	3	13,057
	65	404,698	51	315,014
Tankers.....	12	124,886	14	127,075
	77	529,584	65	442,089
<i>Ships in Coasting Trade</i>				
War-built Cargo Ships				
10,000 tonners.....	3	21,550	3	21,550
4,700 tonners.....	1	2,875	1	2,875
Other Passenger and Dry-cargo Ships.....	51	144,175	50	137,503
	55	168,600	54	161,928
Tankers.....	8	13,861	9	17,767
	63	182,461	63	179,695
<i>Lakes-and-St. Lawrence Canallers</i>				
Dry-cargo Ships.....	138	265,754	143	275,674
Tankers.....	38	75,385	33	64,405
	176	341,139	176	340,079
<i>Upper Lakers</i>				
Dry-cargo Ships.....	60	337,659	67	394,295
Tankers.....	4	42,341	5	55,034
	64	380,000	72	449,329
SUMMARY				
Dry-cargo and Passenger Ships.....	318	1,176,711	315	1,146,911
Tankers.....	62	256,473	61	264,281
	380	1,433,184	376	1,411,192
Ships on United Kingdom Registry				
Retained on U.K. Registry.....	58	413,869	57	406,657
Transferred to U.K. Registry.....	34	242,942	34	243,578
Supply Ships.....	5	36,410	5	36,437
	97	693,221	96	686,672

Sixth Report

of the

Canadian Maritime Commission

I. SHIPPING

This report covers the period from April 1, 1952 to March 31, 1953. Table I, on the page opposite, gives a breakdown of ships of 1,000 gross tons and over on Canadian registry on March 31, 1952 and March 31, 1953.

In our last report we were able to say that, whilst by the spring of 1952 the great increases in freight rates experienced during 1951 had levelled off, the shipping industry had continued to enjoy prosperity. Unhappily, in the period now under report this has no longer been the case.

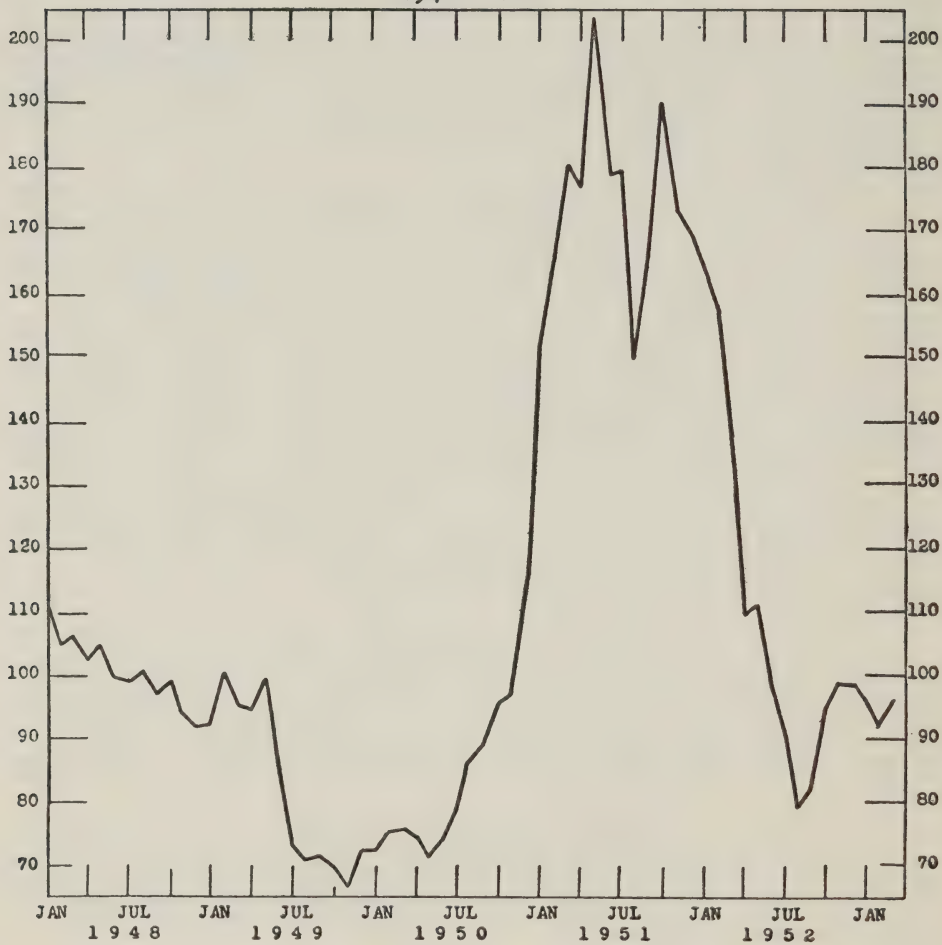
A precipitous fall in freight rates has once more brought the Canadian deep-sea shipping industry, with its relatively high cost of operation, down to the point where, in many cases, losses have actually been incurred. This high cost is mainly due to the general Canadian wage structure which is considerably higher than that of the industry's European competitors. Consequently, in a period of falling freight rates Canadian flag operation becomes unprofitable earlier than operation under European flags.

From the beginning of the year 1952 world freight rates fell until, by August, the freight index compiled by the United Kingdom Chamber of Shipping reached a low of 79·2, the average rate for 1948 being taken as 100. The fluctuations in the freight rate index and in time charter rates are shown in the following graphs. (See pages 6 and 7.)

The fall in rates during 1952 was the result of the stabilization of stockpiling programmes, the elimination of unnecessary imports and the imposition of import restrictions in many countries for national economic reasons.

In addition to this, the increased production of coal in Europe reduced the import of coal from the United States compared to the previous year. Decreased imports all over the world lessened the demand for liner space and liner operators were able to release tramp tonnage which they had time chartered, thus creating a further supply of tramp tonnage to compete in the falling demands of the freight market generally.

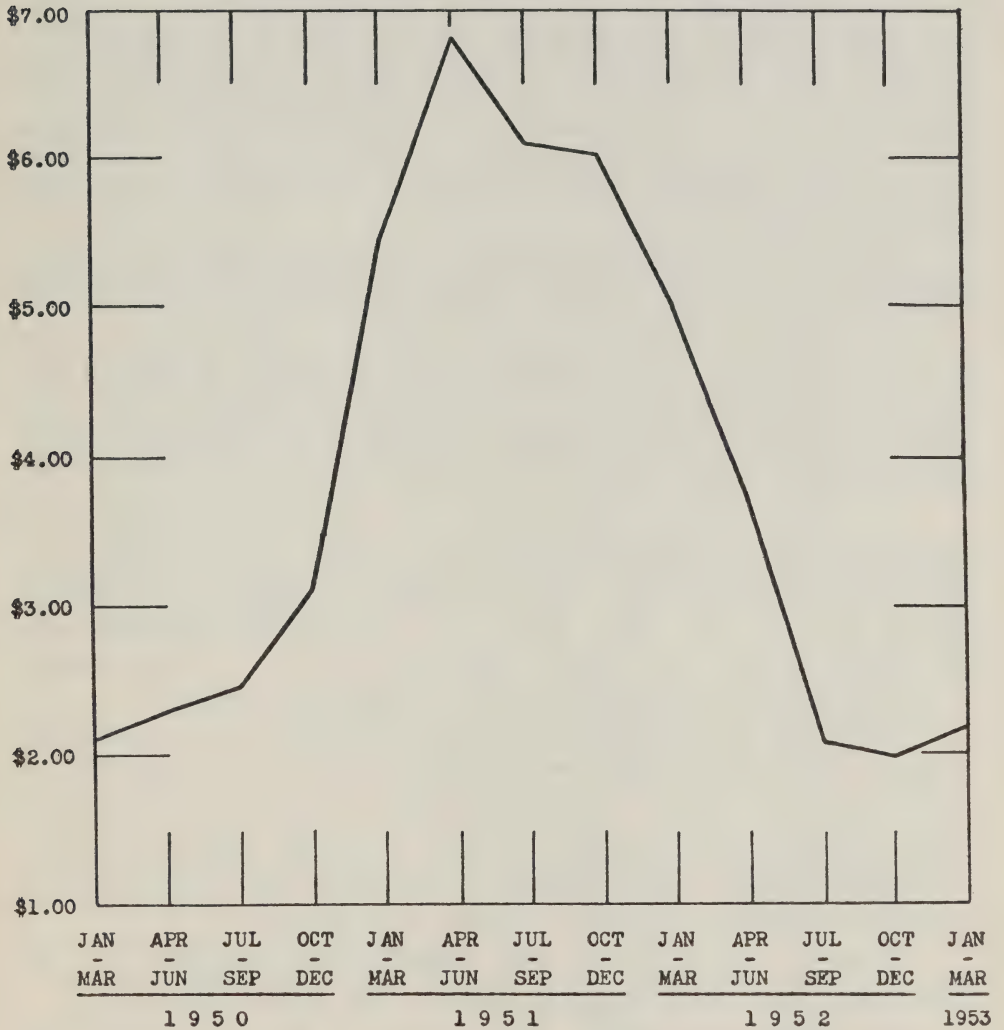
MONTHLY FREIGHT INDEX
COMPILED BY THE UNITED KINGDOM CHAMBER OF SHIPPING
1948 = 100



TIME CHARTER RATES FOR 10,000-TON OIL-BURNING STEAMERS

(THREE-MONTH AVERAGES)

CANADIAN DOLLARS PER DEADWEIGHT TON PER MONTH.



When our Third Report was written in the spring of 1950 we recounted that by the end of 1948 Canadian deep-sea shipping had reached the line of demarcation between a profitable and an unprofitable industry and that during 1949 the freight market had further declined, making necessary the transfer of a number of Canadian-registered ships to United Kingdom registry and the payment of a subsidy for one year to keep forty ships operating on Canadian registry.

Our Fourth Report, written one year later in 1951, noted the rise in freight rates consequent upon the outbreak of the Korean war in June, 1950 and the increased tempo of defence stockpiling. In 1952 we recorded that whilst this rise had passed its peak the industry was still enjoying prosperity. Now, in 1953, we must face the fact that our deep-sea shipping industry is once more engaged in a struggle for its continued existence.

In the three years since 1950 we have seen a rise in the fortunes of the industry from a very low point up to a point of real prosperity and back again to a level equivalent to serious depression.

The "plants" of this industry—ships—are units of high capital cost which cannot be renewed piecemeal and which, when once obtained, must be able to earn their capital charges and depreciation over a period of about 20 years in order to make possible their essential replacement.

Canadian deep-sea shipowners, the majority of whose ships cannot be sold abroad without Government permission—this having been a condition of their sale to private Canadian interests after World War II—have made representations to obtain assistance for the maintenance of a Canadian deep-sea fleet or to obtain release from the restrictive conditions under which they operate.

Assuming that the continued control of transfers out of Canadian registry denotes an intention on the part of the Government to retain a certain number of ships on Canadian registry, the shipowners have pointed out that, owing principally to the higher Canadian wage structure, Canadian ocean-going ships cannot compete internationally without some measure of assistance designed to equate their operating costs to those of their competitors.

Table II which follows gives comparative operating costs of Canadian and United Kingdom ships. (See foot of page 9.)

The Replacement Plan administered by the Commission has continued in operation throughout the period; permission to sell 10,000-ton deadweight ships abroad continued to be conditional upon the undertaking of immediate and concurrent replacement in a Canadian shipyard until recently when sales for eventual replacement were permitted but assignments restricted to the construction of ocean-going vessels only.

Since the commencement of the Plan, the sale of 74 ships has resulted in the placing in escrow of a total of \$44,150,000.00 of which \$41,600,000.00 has been used or allocated.

The number of vessels which have acquired a flag restriction clause as a result of the use of escrow funds is now 26.

During the period under review a total of 12 vessels were sold resulting in a net increase in Escrow Funds of \$10,260,005.85.

Of the vessels sold 10 were of 10,000-tons deadweight and 2 were of 4,700-tons deadweight; all were built during World War II and were affected by the factor of obsolescence.

The proceeds of several of these sales are being applied by the seller to the building of the two 28,000-ton tankers in an eastern Canadian shipyard, as mentioned in our Fifth Report, while the monies resulting from the sale of other vessels were assigned and used to assist the building of new Lake tonnage. The balance is retained in escrow for such use as may be approved by the Commission.

While 10 million dollars was placed in escrow it is interesting to note that during this period $2\frac{3}{4}$ million dollars was assigned and used to stimulate new building on the Great Lakes and $4\frac{1}{4}$ million dollars was used in the tanker construction previously referred to and for some minor improvements to existing deep-sea vessels.

On March 31, there were approximately $2\frac{1}{2}$ million dollars available in escrow for allocation; this figure may, of course, be augmented by further sales.

TABLE II

ESTIMATED DAILY OPERATING COSTS FOR 10,000-TON DEADWEIGHT
STANDARD WAR-BUILT VESSELS
(Excluding fuel oil and depreciation)

	1952	
<i>Vessel Expenses</i>	<i>Canada</i>	<i>United Kingdom</i>
Total Wage Cost.....	\$ 316.50	\$ 140.50
Subsistence.....	66.00	48.00
Stores and Supplies.....	66.50	52.50
Repairs and Maintenance (including provision for surveys).....	160.00	123.50
Insurance.....	129.50	119.00
Sundries.....	15.50	14.00
Management.....	62.00	46.00
	<hr/> \$ 816.00	<hr/> \$ 543.50

NOTE:—In comparing the above operating cost figures with those which appear in Appendix V of the Fifth Report it should be noted that an allowance for the cost of surveys is included in the estimated cost of repairs and maintenance above. No provision for the cost of surveys was made in the table in the Fifth Report.

II. SHIPBUILDING AND SHIP REPAIRING

During 1952 the Canadian shipbuilding industry delivered 25 vessels, particulars of which are given in Appendix A. Nineteen of these ships were for private domestic account, one was for the Department of Public Works and the remaining five were for the Royal Canadian Navy. In contrast with previous years no ships were completed for export, although one of four vessels being built for export was launched. Among the vessels delivered for private domestic account were the most powerful suction dredge in the world and the largest freighter ever built in a Canadian shipyard.

Vessels delivered in the four principal shipbuilding areas were as follows:—

	<i>No.</i>	<i>Gross Tons</i>	<i>Approximate Dollar Value</i>
Pacific Coast			
Merchant.....	5	1,863	718,670
Naval.....	2	—	2,302,000
	<u>7</u>		<u>3,020,670</u>
Great Lakes			
Merchant.....	8	91,151	31,075,024
St. Lawrence			
Merchant.....	6	6,569	4,047,390
Naval.....	2	—	2,235,000
	<u>8</u>		<u>6,282,390</u>
Atlantic Coast			
Naval.....	1	—	983,000
Other Govt.....	1	714	621,250
	<u>2</u>		<u>1,604,250</u>
Summary			
Merchant.....	19	99,583	35,841,084
Naval.....	5	—	5,520,000
Other Govt.....	1	714	621,250
	<u>25</u>	<u>100,297</u>	<u>41,982,334</u>

These figures show a marked improvement over the previous year's record. In fact, both in tonnage and in dollar value, deliveries during 1952 exceeded the combined totals for 1950 and 1951. Compared with 1951 there was an increase of over 65,000 in the gross tonnage of ships delivered. This represents a gain of 186 per cent

without taking into account the naval vessels, whose displacement tonnage may not be revealed in this report. In three out of the four principal shipbuilding areas this improvement in production is in part attributable to naval shipbuilding, but in the Great Lakes area not a single naval vessel was built last year and yet the value of ships delivered was almost four times as high as during 1951. The dollar value of ships delivered in all shipbuilding areas rose by more than \$29,000,000, or 225 per cent, and even if the naval ships are not included the figures show an increase of some \$23,500,000, or 182½ per cent.

In the ship repairing branch of the industry 1,821 merchant ships and 80 naval vessels were overhauled, repaired or reconditioned during the year. The value of this work amounted to \$37,762,067.00. Compared with 1951 this constitutes an increase of \$13,426,887.00 or 55 per cent. An examination of the figures shows that although each of the four shipbuilding areas participated in the increase, the Pacific Coast and Great Lakes shipyards did so to a relatively small degree. In both the St. Lawrence and Atlantic Coast areas, on the other hand, the value of repairs and conversions carried out in 1952 was more than double that of the previous year.

It must, however, be remembered that the dollar value of ship repairs in the St. Lawrence and Atlantic Coast areas was considerably augmented by reason of the naval reconstruction programme undertaken in the latter part of 1951. This consisted in the refit and reconstruction of 16 Bangor Class Minesweepers and the refit and conversion of 20 River Class Frigates at an estimated cost of \$46,000,000.00. As of December 31, 1952, work had been completed on six of the minesweepers in the St. Lawrence area and on three in the Atlantic Coast area, and the remarkable increase in the value of ship repairs in both these areas during the past year is largely attributable to this work. The business of ship repairs and conversions during 1952 was distributed over the four shipbuilding areas as follows:

	<i>Naval</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	9	730	\$ 7,217,901
Great Lakes.....	—	218	4,679,525
St. Lawrence.....	15	506	14,717,394
Atlantic Coast.....	56	367	11,147,247
	<u>80</u>	<u>1,821</u>	<u>\$ 37,762,067</u>

For the purpose of comparison the value of ships delivered and of repairs and conversions carried out in Canadian shipyards from 1946 to 1952 is given in Table III which follows.

TABLE III
VALUE OF SHIPS DELIVERED AND OF REPAIRS AND CONVERSIONS CARRIED OUT
IN CANADIAN SHIPYARDS, 1946 — 1952

Shipbuilding Area	1946	1947	1948	1949	1950	1951	1952
	\$	\$	\$	\$	\$	\$	\$
PACIFIC COAST							
Shipbuilding	6,047,898	3,976,066	21,127,252	5,114,021	1,502,800	601,001	3,021,670
Repairs and Conversions	8,744,194	9,892,870	7,983,945	5,520,142	3,653,624	6,603,553	7,217,901
	14,792,092	13,868,936	29,111,197	10,634,163	5,156,424	7,204,554	10,239,571
GREAT LAKES							
Shipbuilding	6,724,000	102,000	8,953,700	5,210,996	7,025,000	8,256,600	31,075,024
Repairs and Conversions	2,211,810	2,652,655	2,883,436	4,310,629	3,086,631	4,636,319	4,679,525
	8,935,810	2,754,655	11,837,136	9,521,625	10,111,631	12,892,919	35,754,549
St. LAWRENCE							
Shipbuilding	12,625,772	34,981,491	52,849,028	21,360,807	10,371,383	4,047,053	6,282,390
Repairs and Conversions	5,977,913	5,514,997	4,791,317	2,970,850	5,388,538	7,345,077	14,717,394
	18,603,685	40,496,488	57,640,345	24,331,657	15,759,921	11,392,130	20,999,784
ATLANTIC COAST							
Shipbuilding	4,569,550	5,424,207	4,325,289	55,000	7,381,970	—	1,604,250
Repairs and Conversions	7,176,211	9,529,479	6,990,299	5,230,875	5,001,402	5,750,231	11,147,247
	11,745,761	14,953,686	11,315,588	5,285,875	12,383,372	5,750,231	12,751,497
SUMMARY							
Shipbuilding	29,967,210	44,483,764	87,255,269	31,740,824	26,281,153	12,904,654	41,982,334
Repairs and Conversions	24,110,128	27,690,001	22,648,997	18,032,496	17,130,195	24,335,180	37,762,067
	54,077,338	72,173,765	109,904,266	49,773,320	43,411,348	37,239,834	79,744,401

The increased activity in shipbuilding and repairs carried out during the past year is reflected in the higher level of employment in the shipyards. Despite the setback of a strike affecting several of the yards during the latter part of the year, employment was well maintained in each shipbuilding area. Average monthly employment in the industry for 1952 (19 yards reporting) was 17,187 an increase of nearly 43 per cent compared with 1951. It will be seen from the following that average monthly employment during 1952 reached a post-war peak.

AVERAGE MONTHLY EMPLOYMENT IN THE CANADIAN
SHIPBUILDING INDUSTRY

	<i>Number of Yards Reporting</i>	<i>Pacific Coast</i>	<i>Great Lakes</i>	<i>St. Lawrence</i>	<i>Atlantic Coast</i>	<i>Total</i>
1946	16	4,988	2,148	6,272	2,991	16,399
1947	16	4,119	1,485	8,874	2,657	17,135
1948	16	2,949	2,308	8,045	1,976	15,278
1949	16	1,496	2,168	4,230	1,937	9,831
1950	17	1,100	2,202	3,892	1,336	8,530
1951	19	2,080	2,803	5,237	1,913	12,033
1952	19	2,595	3,591	8,092	2,909	17,187

During 1952 the Commission's recommendations resulted in the allocation of contracts for the construction of 4 naval vessels, comprising two derrick scows, one tug and one water boat, at an estimated cost of approximately \$2,650,000. Including the 39 naval vessels enumerated in previous reports, the naval shipbuilding programme calls for the construction of 43 vessels by thirteen major shipyards. Five naval vessels were delivered during 1952 and 38 have yet to be completed.

The total dollar value of shipbuilding in preparation or under construction as of March 31, 1953, amounted to approximately \$239,574,430. This sum represents orders for vessels divided among the four shipbuilding areas as follows:—

	<i>Naval</i>	<i>Other Govt.</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	12	—	1	\$ 55,126,600
Great Lakes.....	3	—	4	25,019,830
St. Lawrence.....	14	3	7	126,528,000
Atlantic Coast.....	9	1	—	32,900,000
	<u>38</u>	<u>4</u>	<u>12</u>	<u>\$239,574,430</u>

Table IV which follows gives particulars of the 12 merchant vessels and 4 Government vessels in preparation or under construction as of March 31, 1953.

TABLE IV
PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1953

Name of Owner	Name of Ship	Length o.a. Beam and Depth	Power Plant	Estimated Speed	Estimated dead- weight Carrying Capacity*	Name of Shipyard	Type of Vessel
Algoma Steamships.....	<i>E. B. Barber</i>	574'-3" 59'-0" 31'-0"	3,300 s.h.p..... S/S Steam Turbine	14 m.p.h.	11,800	Port Arthur Shipbuilding Co. Ltd..	Bulk Freighter
N. M. Patterson & Sons Limited....	<i>Hull No. 113</i>	574'-3" 59'-0" 31'-0"	3,300 s.h.p..... S/S Steam Turbine	14 m.p.h.	12,470	Port Arthur Shipbuilding Co. Ltd..	Bulk Freighter
Canada Steamships Lines Limited....	<i>Hull No. 37</i>	714'-0" 70'-0" 37'-0"	8,500 s.h.p..... S/S Steam Turbine	17 m.p.h.	20,850	Midland Shipyards Ltd.....	Bulk Freighter
Colonial Steamships Limited.....	<i>Hull No. 14</i>	684'-6" 72'-0" 37'-0"	9,000 s.h.p..... S/S Steam Turbine	17 m.p.h.	23,000	Port Weller Dry Docks.....	Bulk Freighter
Department of Transport.....	<i>Hull No. 254</i>	350'-10" 68'-0" 34'-9"	8,000 s.h.p..... T/S Diesel Electric	18 knots	1,880	Canadian Vickers Limited.....	Auto-passenger Ferry
Flota Mercante Grancolumbiana....	<i>Ciudad De Valencia</i>	420'-0" 55'-0" 33'-6"	4,275 h.p..... Diesel S/S	14½ knots	5,900	Canadian Vickers Limited.....	Ocean-going Cargo Vessel
Flota Mercante Grancolumbiana....	<i>Hull Nos. 257, 258, 259</i> ..	420'-0" 55'-0" 33'-6"	4,275 h.p..... Diesel S/S	14½ knots	5,900	Canadian Vickers Limited.....	Ocean-going Cargo Vessel
Department of Transport.....	<i>D'Iberville</i>	285'-0" 66'-0" 32'-0"	10,800 s.h.p..... T/S Skinner Unaflo	15 knots	3,055	Davie Shipbuilding & Repairing Co. Ltd.	Icebreaker

Andros Shipping Company Limited..	Hull Nos. 595, 596.....	624'-7" 84'-0" 44'-0"	13,750 h.p..... S/S Steam Turbine	16 knots	28,000	Davie Shipbuilding & Repairing Co. Ltd.	Ocean-going Tankers
Department of Transport.....	Hull No. 597.....	345'-10" 65'-0" 45'-6"	10,000 s.h.p..... T/S Diesel Electric	18½ knots	.....	Davie Shipbuilding & Repairing Co. Ltd.	Auto-passenger Ferry
Sun Terminals Limited.....	Hull No. 598.....	475'-0" 62'-6" 40'-9"	5,000 s.h.p..... S/S Steam Turbine	13½ knots	12,400	Davie Shipbuilding & Repairing Co. Ltd.	Ocean-going cargo vessel
Province of New Brunswick.....	Abnaki.....	92'-0" 34'-4½" 8'-4"	350 h.p..... Diesel	9 knots	.....	Saint John Dry Dock Co. Ltd.....	Auto-passenger Ferry
Black Ball Line Limited.....	Kahloke (Formerly City of Sacramento) Com- pletely rebuilt and re-engined.	308'-0" 50'-0" 17'-0"	6,000 s.h.p..... T/S Diesel Electric	.....	.....	Yarrows Limited.....	Auto-passenger Ferry

* Tons of 2,240 lbs. Includes cargo, fuel, water and consumable stores.

The Commission has continued to act as technical adviser to the Department of Defence Production on matters pertaining to shipbuilding and ship repairing, and has also maintained liaison between the naval shipbuilding officers, the Department of Defence Production and the shipbuilding industry.

III. GENERAL

The Coasting Trade of Canada

Since its inception, the Commission has carried on studies of the coasting trade of Canada in an effort to determine the broad trends of development of domestic shipping. To assist the Commission in these studies the Dominion Bureau of Statistics began in 1952 the collection of statistics of cargo unloaded at Canadian customs ports by vessels engaged in the Canadian coasting trade. Returns for the calendar year 1952 show a total of 31,302,000 short tons of coastwise cargo, a figure which includes the tonnage of cargo carried in ships, scows, and barges and the reported weight of logs towed in rafts.

On the British Columbia coast, the increasing use of towed scows and barges for the movement of coastwise cargo has been noteworthy. Since 1938, the total net register tonnage of self-propelled passenger and cargo ships of 200 tons and over has declined by 25 per cent while the total net register tonnage of scows and barges of 200 tons and over has grown by 48 per cent. Domestic cargo traffic, in the same period, has increased by at least 50 per cent. Unrigged vessels have demonstrated their suitability, especially in the sheltered waters in and about Georgia Strait, for the transportation of such commodities as sand and gravel, pulp and paper, lumber, cement, hog fuel, ore and concentrates, and petroleum products, which together account for a large part of the tonnage of coastwise cargoes. In addition, by taking advantage of the Inside Passage, scows and barges have proven their ability to provide economical transportation along most of the British Columbia coastline for general merchandise as well as for the cheap and bulky commodities. At Vancouver in the four years 1949 to 1952, 77 per cent of the tonnage of cargo, exclusive of log rafts, entering into the coasting trade was carried in towed scows and barges. This high proportion requires qualification, however, for in terms of ton-miles scows and barges were responsible for only 40 per cent of the traffic, indicating that self-propelled ships carried most of the tonnage on the longer British Columbia coast routes. Elsewhere in Canadian coastal waters, scows and barges assume a relatively less important role as carriers of trade.

Under Canada's customs and shipping laws, vessels built and registered anywhere in the British Commonwealth may carry passengers and cargo from one place in Canada to another without

payment of duty. Vessels which, although registered in the Commonwealth, were built outside the Commonwealth, may also engage in our coasting trade upon payment of a 25 per cent ad valorem duty. Vessels registered outside the Commonwealth are not admitted to participation in Canada's coastal trade save in exceptional circumstances and in such cases they are assessed customs duty.

In Eastern Canada, the seasonal restriction on navigation is a major factor in the use of non-Canadian shipping in the Canadian coasting trade. The St. Lawrence River trades, for instance, employ ships for little more than seven months of the year. Ship operators, in consequence, tend to engage non-Canadian vessels on time charter to meet seasonal shipping requirements and to return the ships to their overseas owners when the navigation season ends.

In 1952, approximately $5\frac{1}{2}$ per cent of the total tonnage carried in the coasting trade was so carried by non-Canadian ships; more than one-half of the domestic seaborne movement of coal from Cape Breton Island and a large proportion of the trade between the Canadian mainland and Newfoundland was carried in ships of United Kingdom registry. The special provisions for waiving the coasting laws were invoked to allow a number of United States ships on the Great Lakes to assist in the movement of Canadian grain and a few United States scows to carry rock in British Columbia waters. The effect of the provision of Canadian shipping legislation which allows Commonwealth-registered ships to participate in the coasting trade is continually under study by the Commission.

Growing interest in the St. Lawrence Seaway project is reflected in the expansion of direct shipping services between the Great Lakes and overseas. In 1952, vessels registered outside Canada and the United States made 338 passages with cargo through the St. Lawrence canals. This figure compares with 222 in 1951 and 202 in 1950. Except for three United Kingdom vessels which operated between the Great Lakes and Newfoundland, and two foreign vessels, each of which, in special circumstances, was allowed to make a single voyage with cargo between Canadian ports, none of the ships entering the Lakes from overseas engaged in the coasting trade. There are indications, nevertheless, of developing interest in the use of non-Canadian shipping in the coasting trade of the Great Lakes and Gulf of St. Lawrence region.

Records

The Commission has continued to keep records of freight rates, movements and employment of Canadian-owned ships, both deep-sea and on inland waters. Table V which follows shows the shipping services maintained to and from Canada.

TABLE V
1952 CARGO-LINER SERVICES

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to United Kingdom and Eire.....	1 Canadian 1 Norwegian 1 Greek	10 British 1 Irish 1 Italian	37
Pacific Coast Ports to United Kingdom....	1 Canadian* 1 Danish 1 Swedish	4 British 1 Norwegian 1 Dutch	16
Great Lakes Ports to United Kingdom....	1 British 1 Norwegian		5
St. Lawrence and Atlantic Ports to North and Northwest Europe.	1 Canadian* 3 Norwegian 1 Swedish 1 German 1 Italian	2 British 1 French 1 Dutch 1 Greek	20
Pacific Coast Ports to North and Northwest Europe.	2 British 1 French 1 Dutch	2 Norwegian 1 Swedish 1 Danish	12
Great Lakes Ports to North and Northwest Europe.	3 Swedish 1 Dutch	1 Norwegian 1 German	18
St. Lawrence and Atlantic Ports to Mediterranean.	1 Canadian 1 Greek	1 Italian 1 French	6
Pacific Coast Ports to Mediterranean.....	1 Italian		1
Great Lakes Ports to Mediterranean.....	1 French		2
St. Lawrence and Atlantic Ports to Caribbean.	4 Canadian* 1 Swedish	1 American 1 Col./Ec./Venez.	18
Pacific Coast ports to Caribbean.....	2 Canadian* 1 Panamanian	2 American	8
St. Lawrence and Atlantic Ports to Africa..	1 British	1 Norwegian	3
Pacific Coast Ports to Africa.....	1 Dutch/Norw.	1 Japanese	2
St. Lawrence and Atlantic Ports to India and Persian Gulf.	3 British		3
Pacific Coast Ports to India and Persian Gulf.	1 Dutch/Norw.		2
St. Lawrence and Atlantic Ports to South America.	1 American	1 Norwegian	4
Pacific Coast Ports to South America.....	2 American	2 Norwegian	7
St. Lawrence and Atlantic Ports to Australia and New Zealand.	1 British		1
Pacific Coast Ports to Australia and New Zealand.	1 New Zealand 2 American	1 Australian 1 Swedish	8

*Asterisk indicates Canadian lines using chartered non-Canadian ships to provide or to augment the cargo-liner service.

TABLE V—*Concluded*1952 CARGO-LINER SERVICES—*Concluded*

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to Far East.	3 British		3
Pacific Coast Ports to Far East.....	1 British 1 American 1 Danish 1 Dutch/Nor.	4 Japanese 2 Norwegian 1 Swed./Nor.	15
Pacific Coast Ports to South Sea Islands...	1 Norwegian		every 2 months
Pacific Coast Ports—B.C.—California....	1 American	1 Norwegian	4

Table VI below gives particulars of the participation of Canadian and other shipping in Canadian trade. It is of considerable interest to note that whilst Canadian participation has steadily declined with the reduction of the fleet, United Kingdom participation has not increased.

TABLE VI

CANADIAN-FLAG PARTICIPATION IN THE CARRIAGE OF CANADA'S OVERSEAS TRADE

DRY CARGO ONLY

(Trade with or via the United States of America excluded).

	1947	1948	1949	1950	1951
Total Dry Cargo Exports and Imports, tons of 2,000 pounds, '000s..	16,327	15,168	17,046	15,342	21,570
Percentage Carried—					
— in Canadian-flag ships.....	20.2	17.9	13.6	9.9	7.9
— in United Kingdom ships.....	45.2	46.3	43.1	48.8	40.6
— in ships of other flags.....	34.6	35.8	43.3	41.3	51.5
	100.0	100.0	100.0	100.0	100.0

Subsidies

In accordance with the terms of the Canadian Maritime Commission Act the Commission continued to administer Steamship Subventions voted by Parliament.

The subsidy contract between the Commission and the Canadian Australasian Line Limited for the operation of the R.M.S. "AORANGI" on the service between Canada, New Zealand and Australia was renewed on April 1st, 1952 for one year.

By agreement between the three Governments concerned the Commission was empowered to act on their behalf in contracting for this service.

In November 1952 the Company advised the Commission that due to obsolescence this vessel would be withdrawn from service at the conclusion of the one year contract and that it was not the intention of the Company to provide a replacement.

During the year subventions were administered for coastal and inland water services providing essential water transportation where regular services are not commercially feasible.

These coastal and inland water services comprised 2 services on the West Coast, 2 on the Great Lakes and 25 on the River and Gulf of St. Lawrence and the East Coast and also 9 different routes covering the Coast of Newfoundland, served by vessels of the Canadian National Railways.

This represents a decrease of two services from 1951-52, the discontinuance of these was brought about by development of other means of transportation in one case and the development of another service to the point where subsidy assistance was no longer necessary for its successful operation.

The Commission's officers have carried out inspections of all the services, conducted surveys of the economic conditions, rate structures, physical facilities and alternative means of transportation, to review the continuing need for Government assistance to water transportation to and from the areas served.

Other investigations and surveys were made in respect to applications for subsidy involving new services and also concerning applications for increased subsidy.

Five applications for new services were dealt with, 4 being rejected and one recommended.

Seven applications for increased subsidy were considered and recommendations were made for increases to cover higher operating costs in 2 cases and rejected for the remainder.

Numerous enquiries concerning possibilities of obtaining subsidy assistance were received and subsequently dropped when the requirements for this purpose were outlined by the Commission's officers.

The following are statistics of Steamship Subventions for the year ended March 31st, 1953:—

SUBSIDIZED COASTAL SERVICES

Interprovincial Services

Between Quebec, Prince Edward Island and Nova Scotia.....	\$ 120,000.00
Between Nova Scotia and Prince Edward Island.....	158,000.00
Between Nova Scotia and New Brunswick.....	29,625.00
Between New Brunswick and Quebec.....	19,000.00

SUBSIDIZED COASTAL SERVICES—*Concluded**Provincial Services*

British Columbia.....	432,500.00
New Brunswick.....	101,000.00
Nova Scotia.....	289,255.91
Ontario.....	102,815.86
Quebec.....	890,500.00
Newfoundland.....	1,536,000.00
	<u>\$ 3,678,696.77</u>

SUBSIDIZED OCEAN SERVICES

Canada, New Zealand and Australia.....	\$ 166,666.67
Total Coastal and Ocean Services.....	<u>\$ 3,845,363.44</u>

NOTE:—The above total is net amount paid after recapture of subsidy from the following services:—

Prescott and Ogdensburg.....	\$ 15,000.00
Owen Sound, Manitoulin Island.....	27,184.14
Total Refund.....	<u>\$ 42,184.14</u>

The above figures are subject to audit by the Auditor General of Canada.

Park Steamship Company

The Park Steamship Company, a Crown Corporation, is continuing to clean up outstanding accounts resulting from its wartime operation of 176 vessels. The functions of the Company have continued to be carried out by the staff of the Commission whose three members are its sole directors.

Section 79 of the Financial Administration Act as proclaimed on October 1, 1952, made necessary the enactment of By Law No. 8 of the Company to amend By Law No. 1 and to change the fiscal year of the Company from March 31 to December 31; therefore, this report covers only the period from April 1, 1952 to December 31, 1952.

During this period the Company settled one insurance claim and secured an advance payment against its last remaining Hull Claim; it also obtained payment of a number of minor claims as a result of which \$56,941.03 was collected, and it was possible to transfer the sum of \$250,000.00 to the Government as surplus, bringing the total amount so transferred since the inception of the Company to \$128,076,480.16.

It is anticipated that in the near future the remaining claims will be adjusted; however, there are minor claims resulting from the Company's operations which are received from time to time and are generally subject to recovery from insurance underwriters.

The Company continues to act as agent for Crown Assets Disposal Corporation in matters concerning ship sales and collection of outstanding mortgages. In addition the Company continues to act in an advisory capacity when required by the Corporation.

The facilities of the Company are being maintained and could readily be expanded should the need arise.

Canadian Vessel Construction Assistance Act

The Canadian Vessel Construction Assistance Act has continued as before to encourage the building and conversion of ships of all types and sizes in Canadian shipyards.

During the year under review a total capital expenditure of \$36,397,113.68 has been determined by the Commission as eligible for the benefits of accelerated depreciation provided by the Act.

North Atlantic Treaty Organization

In May, 1952 a further meeting of the Planning Board for Ocean Shipping was held in Washington. The Canadian delegation was headed by a Commissioner and members of the Commission's staff were included in the delegation. The Commission is the agency responsible for Canadian liaison with this body and keeps in continual touch with its co-chairmen on interim planning matters which are progressed between the periodic meetings of the Board.

Degaussing and Stiffening of Canadian Merchant Ships

The Commission has continued as the co-ordinating agency for implementing the Government's policy of stiffening and degaussing Canadian merchant ships. This work which is technically supervised by the Royal Canadian Navy, has now been extended to the fitting of degaussing equipment to selected existing Canadian-registered ships and the refitting and repair of equipment remaining on board ships which were originally fitted during World War II.

The work is only done when ships are in Canadian ports and is on no account allowed to delay the movement of any ship; consequently much of it has to be done progressively as opportunity offers. On March 31, 1953 four ships were being fitted with gun stiffening and degaussing equipment whilst building. The degaussing equipment of 12 ships had been brought back to full efficiency and work was advancing on 23 others.

War Risks Insurance

The Department of Finance has consulted with the Commission in planning War Risks Insurance for shipping. A Canadian Mutual Insurance Association has been established; negotiations for Government re-insurance through this Association are proceeding.

Military Movements

The Commission has continued to assist the Department of National Defence in arranging its overseas shipping movements. During the year this has been confined to the transportation of relief drafts and supplies for Canadian forces in Europe and the shipment of "mutual aid" equipment to other NATO countries. The Canadian forces in Korea under the United Nations have been supported mainly by the United States Military Sea Transportation Service acting on behalf of the Canadian Government.

Importation of Ships

The Commission has continued to advise the Department of National Revenue upon applications for the suspension of Canadian coastal laws to permit the temporary operation of foreign flag or foreign-built ships in the Canadian coastal trade.

The Commission in co-operation with the Department of Transport advises the Minister of Transport in the administration of Section 21A of the Canada Shipping Act relating to the registration in Canada of ships built outside of Canada.

Transport Controller

The Transport Controller appointed in August, 1951 to deal with problems mainly connected with the movement of grain from the Lakehead and the Deputy Controller drawn from the Commission's staff have continued to make use of the Commission's records and facilities during the year. Another member of the Commission's staff has been temporarily transferred to the Transport Controller's staff to act as his representative in Montreal.

Staff

The staff of the Commission on March 31, 1953 numbered 26 whose annual salaries, together with salaries paid to members of the Commission, amounted to \$120,258.49.

Dated at Ottawa the 29th day of June, 1953.

J.-C. LESSARD,
Chairman,
L. C. AUDETTE,
Commissioner,
ANGUS McGUGAN,
Commissioner.

APPENDIX A

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS OF 100 GROSS TONS AND OVER
DELIVERED BY CANADIAN SHIPYARDS DURING 1952

Name of Owner	Name of Ship	Length b.p. Beam and Depth	Power Plant	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Vancouver Tugboat Company Limited.	V.T. No. 41.....	132.8 42.0 10.2	Non-prop.....	.....	505	Yarrows Limited.....	Steel Barge
Vancouver Tugboat Company Limited.	V.T. No. 42.....	133.0 42.0 10.2	Non-prop.....	.....	506	Yarrows Limited.....	Steel Barge
Kingcome Navigation Company Limited	Kingcome.....	92.6 25.6 14.8	700 b.h.p..... S/S Diesel	10 knots	242	Yarrows Limited.....	Steel Tug
Royal Canadian Navy.....	H.M.C.S. <i>Porte de la Reine</i>	Secret	S/S Diesel.....	.....	Secret	Victoria Machinery Depot Com- pany Limited.	Gate Vessel
McKeen & Wilson Limited.....	K 42.....	124.0 42.1 10.7	Non-prop.....	.....	506	Burrard Dry Dock Company Limited.	Steel Scow
British American Oil Company Limited.	B.A. 10.....	75.0 26.0 4.6	Non-prop.....	.....	104	Burrard Dry Dock Company Limited.	Steel Barge
Royal Canadian Navy.....	H.M.C.S. <i>Porte Quebec</i> .	Secret	S/S Diesel.....	.....	Secret	Burrard Dry Dock Company Limited.	Gate Vessel
Canada Steamship Lines Limited....	<i>Sir James Dunn</i>	647.5 67.2 30.4	3,600 i.h.p..... S/S Steam Skinner Unaflo	13 m.p.h.	12,434	Port Arthur Shipbuilding Com- pany Limited.	Upper Lakes Bulk Freighter

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS OF 100 GROSS TONS AND OVER
DELIVERED BY CANADIAN SHIPYARDS DURING 1952—Concluded

Name of Owner	Name of Ship	Length b.p. Beam and Depth	Power Plant	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Canada Steamship Lines Limited....	<i>Thunder Bay</i>	647.5 67.2 30.4	4,000 i.h.p..... S/S Steam Skinner Unaflo	13 m.p.h.	12,435	Port Arthur Shipbuilding Company Limited.	Upper Lakes Bulk Freighter
Upper Lakes & St. Lawrence Transportation Co. Ltd.	<i>James Norris</i>	647.2 67.2 30.2	4,000 i.h.p..... S/S Steam Skinner Unaflo	13 m.p.h.	12,464	Midland Shipyards Limited.....	Upper Lakes Bulk Freighter
Upper Lakes & St. Lawrence Transportation Co. Ltd.	<i>Gordon C. Leitch</i>	647.3 67.2 30.4	4,000 i.h.p..... S/S Steam Skinner Unaflo	13 m.p.h.	12,460	Midland Shipyards Limited.....	Upper Lakes Bulk Freighter
Imperial Oil Limited.....	<i>Imperial Woodbend</i>	601.6 68.2 34.6	4,500 s.h.p..... S/S Steam Turbine	13 knots	12,639	The Collingwood Shipyards Limited.	Oil Tanker
British American Oil Company Limited.	<i>B.A. Peerless</i>	601.7 68.2 34.6	4,500 s.h.p..... S/S Steam Turbine	13 knots	12,638	The Collingwood Shipyards Limited	Oil Tanker
Marathon Paper Mills of Canada Limited.	<i>D.C. Everest</i>	252.4 43.6 19.2	1,200 b.h.p..... S/S Diesel	13 m.p.h.	2,196	Canadian Shipbuilding & Engineering Limited.	Woodpulp Carrier
Colonial Steamships Limited.....	<i>John O. McKellar</i>	660.4 68.3 32.2	6,000 s.h.p..... S/S Steam Turbine	15 m.p.h.	13,884	Port Weller Dry Docks Limited....	Upper Lakes Bulk Freighter
Hall Corporation of Canada Limited..	<i>Frankliffe Hall</i>	253.4 43.8 19.0	1,280 b.h.p..... T/S Diesel	9 knots	2,127	Canadian Vickers Limited.....	Canal-size Bulk Freighter.

Beauharnois Light, Heat & Power Company Limited.	<i>Dredge No. 160</i>	219.9 42.3 12.6	Non-prop.....	1,141	Marine Industries Limited.....	36" Hydraulic Steel Dredge.
La Compagnie de la Traverse St. Laurent Limitee.	<i>Arthur Cardin</i>	162.0 30.7 10.2	480 b.h.p..... T/S Diesel	466	Marine Industries Limited.....	Auto-passenger Ferry
Bowater's Newfoundland Pulp & Paper Mills Ltd.	<i>Goose Lake</i>	110.0 33.1 7.6	Non-prop.....	241	Marine Industries Limited.....	Steel Scow
Bowater's Newfoundland Pulp & Paper Mills Ltd.	<i>Gander Lake</i>	110.0 33.1 7.6	Non-prop.....	241	Marine Industries Limited.....	Steel Scow
Kent Line Limited.....	<i>Irvingwood</i>	253.0 43.8 20.3	1,600 b.h.p..... S/S Diesel	2,353	Geo. T. Davie & Sons Ltd.....	Canal-size Pulpwood Carrier
Royal Canadian Navy.....	<i>H.M.C.S. Porte St. Jean</i>	Secret	S/S Diesel.....	Secret	Geo. T. Davie & Sons Ltd.....	Gate Vessel
Royal Cgnadian Navy.....	<i>H.M.C.S. Porte St. Louis</i>	Secret	S/S Diesel.....	Secret	Geo. T. Davie & Sons Ltd.....	Gate Vessel
Department of Public Works.....	<i>P.W.D. No. 21</i> (Hull only)	137.7 44.7 9.3	Non-prop.....	714	Saint John Dry Dock Co. Ltd.....	Dredge.
Royal Canadian Navy.....	<i>H.M.C.S. Porte Doughin</i>	Secret	S/S Diesel.....	Secret	Pictou Foundry & Machine Co. Ltd.	Gate Vessel

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Government
Publications

SEVENTH REPORT
OF THE
CANADIAN
MARITIME COMMISSION

JUNE 24, 1954

1953/54



SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947.

PRICE 15 CENTS

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SEVENTH REPORT

OF THE

CANADIAN

MARITIME COMMISSION

JUNE 24, 1954

**SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947**

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY (
OTTAWA, 1954

The Honourable LIONEL CHEVRIER, P.C., Q.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act 1947, I have the honour to submit herewith the seventh report of the Canadian Maritime Commission, covering the period between April 1, 1953 and March 31, 1954.

I have the honour to be, Sir,

Your obedient servant,

L. C. AUDETTE,
Chairman.

Ottawa,
June 24, 1954.

TABLE I
CANADIAN MERCHANT FLEET
(Ships of 1,000 Gross Tons and Over)

	March 31, 1953		March 31, 1954	
	No.	Gross Tons	No.	Gross Tons
<i>Ocean-going Ships in Foreign Trade</i>				
War-built Cargo Ships				
10,000 tonners.....	34	243,520	18	128,739
4,700 tonners.....	10	29,167	7	20,511
Passenger ships.....	1	9,034	1	9,034
Diesel Cargo Ships.....	3	20,236	3	20,236
Other Cargo Ships.....	3	13,057	5	21,930
	51	315,014	34	200,450
Tankers.....	14	127,075	13	123,581
	65	442,089	47	324,031
<i>Ships in Coasting Trade</i>				
War-built Cargo Ships				
10,000 tonners.....	3	21,550	3	21,550
4,700 tonners.....	1	2,875	1	2,875
Other Passenger and Dry-cargo Ships.....	50	137,503	48	132,210
	54	161,928	52	156,635
Tankers.....	9	17,767	11	24,685
	63	179,695	63	181,320
<i>Lakes-and-St. Lawrence Canallers</i>				
Dry-cargo Ships.....	143	275,674	144	280,578
Tankers.....	33	64,405	32	62,152
	176	340,079	176	342,730
<i>Upper Lakers</i>				
Dry-cargo Ships.....	67	394,295	72	454,093
Tankers.....	5	55,034	2	25,233
	72	449,329	74	479,326
SUMMARY				
Dry-cargo and Passenger Ships.....	315	1,146,911	302	1,091,756
Tankers.....	61	264,281	58	235,651
	376	1,411,192	360	1,327,407
<i>Ships on United Kingdom Registry</i>				
Retained on U.K. Registry.....	57	406,657	55	392,406
Transferred to U.K. Registry.....	34	243,578	41	281,410
Supply Ships, on loan.....	5	36,437	5	36,403
	96	686,672	101	710,219

Seventh Annual Report

I. Shipping

This report covers the period from April 1, 1953, to March 31, 1954. Table I on the opposite page shows the number and gross tonnage of the various classes of ships of 1,000 gross tons and over on the Canadian Register on March 31, 1953, and on March 31, 1954.

In our last report we showed that in 1952 world freight rates had descended from 1951 peaks to a level which permitted little or no profit for Canadian deep-sea ships the costs of operation of which, reflecting Canadian standards of wages, are relatively higher than those of their European competitors.

This level of freight rates remained low, fluctuating within a narrow range during the period under review. As a result, the past year has been an unprofitable one for Canadian deep-sea shipping.

In our Sixth Report we mentioned the difficulties which these uneconomic conditions imposed upon owners of Canadian ships which could not be sold or transferred to another flag without Government permission; we also stated that the owners had made representations to obtain assistance for the maintenance of the fleet, or alternatively, to obtain complete freedom to sell or transfer their ships as their commercial judgment dictated.

These representations were strengthened by the formation of the Canadian Shipowners Association on June 1, 1953; this enabled the shipowners, including those whose ships were already on United Kingdom Registry under the Transfer Plan, to approach the Government through a representative body.

In the meantime the Commission and other departments of Government had been studying the whole deep-sea shipping problem with a view to making recommendations. Finally, a statement of Government policy was issued on November 10, 1953.

At that time the Cabinet decided that no direct operating subsidies should be provided for Canadian dry-cargo merchant ships, but that if it appeared feasible to establish modern Canadian-flag vessels on certain routes benefiting Canadian trade, consideration might be given at a later date to the provision of some form of support for ships servicing such trades.

The Cabinet also decided that the Transfer Plan, devised late in 1949, was to remain in force, as was the Replacement Plan which was approved in May 1948. Whilst new tonnage acquired by the

use of escrow funds was to continue to be placed on the Canadian Register, the rule that vessels acquired by the use of escrow funds must be built in Canada, which had hitherto been the practice, could be relaxed and escrow funds might in future be used for the building or acquisition of modern tonnage in or from any country. On the other hand, these funds were only to be used for the provision of dry cargo vessels.

The first result of these decisions was a series of applications from owners of ships still on Canadian registry to take advantage of the Transfer Plan and reduce their operating costs by transferring their ships to United Kingdom registry. The United Kingdom authorities agreed to this extension of the original plan, with the proviso that they be allowed to make the final decision on each application for transfer to United Kingdom registry rather than to permit an agreed number of ships to be transferred as was the case when the Plan was initially set up four years ago.

By March 31, 1954, eleven ships had been transferred to United Kingdom registry under this modification and applications for fourteen more were under consideration. As a result of the liberalization of the Replacement Plan one new dry cargo ship is being built for a Canadian owner in the United Kingdom.

With the modifications noted above, the Replacement Plan continued in operation during the year and a total of thirteen vessels was sold under the plan resulting in a net increase in the escrow funds of \$6,530,086.09.

Since the commencement of the plan the sale of eighty-seven ships has resulted in the placing in escrow of a total of \$50,682,700.94, of which \$13,642,344.61 has been used or allocated for the following purposes—the building of two tankers, the acquisition of five dry cargo ships and the modernization or improvement of fifteen other dry cargo ships; this embraced conversion to oil, modifications to cargo stowage and handling, the fitting of improved type propellers and stiffening to increase the deadweight capacity of vessels.

In addition, escrow funds totalling \$27,923,452.78 have been used to contribute to the building or improvement of lake and coastal vessels including eleven bulk carriers, seven tankers, five canallers, two tugs, a dipper dredge, a tow barge and a lake collier.

On March 31st there were \$8,428,871.79 held in escrow under the Replacement Plan for the acquisition of ships.

Of the two large ocean-going tankers built in Canada under the policy, the first went into service in November, 1953, and the second will likely be completed about August, 1954. There are at present no other ocean-going ships being built in Canada under the Plan, although two lake vessels, towards building costs of which escrow funds were allocated earlier, are approaching completion.

II. Shipbuilding and Ship Repairing

During 1953 the Canadian shipbuilding industry delivered seventeen vessels, particulars of which are given in Appendix A. Six of these ships were for private domestic account and four were for export to South America. Of the remaining seven, three were for Federal or Provincial Government departments and four for the Royal Canadian Navy. Among the vessels delivered for private domestic account was a 28,000 ton tanker, the largest ocean-going vessel ever built in a Canadian shipyard. Another Canadian shipyard on the Great Lakes launched the largest ship ever built for operation on inland waters anywhere in the world. The production of vessels in the four principal shipbuilding areas aggregated 52,174 gross tons having a total value of \$44,415,665.

Compared with 1952 there was a falling-off of 48 per cent in the gross tonnage of ships delivered but it should be remembered that the year 1952 was exceptional; for example, no fewer than eight large vessels were delivered in the Great Lakes area alone. If a comparison is made with the two previous years it will be seen that the tonnage delivered last year was greater than in 1950 and considerably in excess of that delivered in 1951. The dollar value of vessels delivered during 1953 was nearly 6 per cent higher than in 1952 and comprised a much higher proportion of naval and other government vessels. In 1952 such vessels accounted for approximately one-sixth of the value of ships delivered, whereas in 1953 this proportion rose to over one-half.

In the ship repairing branch of the industry 2,325 merchant ships and 81 naval vessels were overhauled, repaired or reconditioned during the year. The value of this work amounted to \$51,097,148. Compared with 1952 this constitutes an increase of \$13,335,081 or 35 per cent. An examination of the figures shows that each of the four shipbuilding areas participated in the increase. Once again, as was the case last year, the value of ship repairs in the St. Lawrence and Atlantic Coast areas was greatly augmented by reason of the naval reconstruction programme undertaken late in 1951. This consisted in the refit and reconstruction of sixteen Bangor Class Minesweepers and the refit and conversion of twenty River Class Frigates at an estimated cost of \$67,000,000. As of December 31, 1953, work had been completed on the minesweepers and on two of the frigates. The business of ship repairs and conversions during 1953 was distributed over the four shipbuilding areas as follows:

	<i>Naval</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	6	672	\$ 7,335,846
Great Lakes.....	—	311	5,926,099
St. Lawrence.....	12	617	21,264,741
Atlantic Coast.....	63	725	16,570,462
	<u>81</u>	<u>2,325</u>	<u>\$ 51,097,148</u>

For the purpose of comparison the value of ships delivered and of repairs and conversions carried out in Canadian shipyards from 1946 to 1953 is given in Table II which follows:

TABLE II
VALUE OF SHIPS DELIVERED AND OF REPAIRS AND CONVERSIONS CARRIED OUT
IN CANADIAN SHIPYARDS, 1946-1953

Shipbuilding Area	1946	1947	1948	1949	1950	1951	1952	1953
	\$	\$	\$	\$	\$	\$	\$	\$
PACIFIC COAST Shipbuilding.....	6,047,898	3,976,066	21,127,252	5,114,021	1,502,800	601,001	3,021,670	287,835
Repairs and Conversions.....	8,744,194	9,892,870	7,983,945	5,520,142	3,653,624	6,603,553	7,217,901	7,335,846
	14,792,092	13,868,936	29,111,197	10,634,163	5,156,424	7,204,554	10,239,571	7,623,681
GREAT LAKES Shipbuilding.....	6,724,000	102,000	8,953,700	5,210,996	7,025,000	8,256,600	31,075,024	3,502,850
Repairs and Conversions.....	2,211,810	2,652,655	2,883,436	4,310,629	3,086,631	4,636,319	4,679,525	5,926,099
	8,935,810	2,754,655	11,837,136	9,521,625	10,111,631	12,892,919	35,754,549	9,428,949
ST. LAWRENCE Shipbuilding.....	12,625,772	34,981,491	52,849,028	21,360,807	10,371,383	4,047,053	6,282,390	40,325,000
Repairs and Conversions.....	5,977,913	5,514,997	4,791,317	2,970,850	5,388,538	7,345,077	14,717,394	21,254,741
	18,603,685	40,496,488	57,640,345	24,331,657	15,759,921	11,392,130	20,999,784	61,579,741
ATLANTIC COAST Shipbuilding.....	4,569,550	5,424,207	4,325,289	55,000	7,381,970	.....	1,604,250	300,000
Repairs and Conversions.....	7,176,211	9,529,479	6,990,299	5,230,875	5,001,402	5,750,231	11,147,247	16,570,462
	11,745,761	14,953,686	11,315,588	5,285,875	12,383,372	5,750,231	12,751,497	16,870,462
SUMMARY Shipbuilding.....	29,967,210	44,483,764	87,255,269	31,740,824	26,281,153	12,904,654	41,982,334	44,415,685
Repairs and Conversions.....	24,110,128	27,690,001	22,648,997	18,032,496	17,130,195	24,335,180	37,762,067	51,097,148
	54,077,338	72,173,765	109,904,266	49,773,320	43,411,348	37,239,834	79,744,401	95,512,833

The industry enjoyed a higher level of employment during 1953 than during any previous postwar year, mainly owing to the increased tempo of the naval programme. Average monthly employment (20 yards reporting) was 19,630, an increase of 14 per cent compared with 1952. It will be seen from the following that employment in the industry was well maintained in each shipbuilding area.

AVERAGE MONTHLY EMPLOYMENT IN THE CANADIAN
SHIPBUILDING INDUSTRY

	<i>Number of Yards Reporting</i>	<i>Pacific Coast</i>	<i>Great Lakes</i>	<i>St. Lawrence</i>	<i>Atlantic Coast</i>	<i>Total</i>
1946	16	4,988	2,148	6,272	2,991	16,399
1947	16	4,119	1,485	8,874	2,657	17,135
1948	16	2,949	2,308	8,045	1,976	15,278
1949	16	1,496	2,168	4,230	1,937	9,831
1950	17	1,100	2,202	3,892	1,336	8,530
1951	19	2,080	2,803	5,237	1,913	12,033
1952	19	2,595	3,591	8,092	2,909	17,187
1953	20	2,547	3,082	10,490	3,511	19,630

During 1953 the Commission's recommendations resulted in the allocation of contracts for the construction of six additional mine-sweepers, bringing to twenty the number of such vessels included in the naval shipbuilding programme. Contracts were also awarded by tender for five Inner Patrol Vessels and three Ammunition Lighters. Including the forty-three vessels enumerated in previous reports, the naval shipbuilding programme calls for the construction of fifty-seven vessels by thirteen major shipyards. Nine vessels have been delivered to date and forty-eight have yet to be completed.

The total dollar value of shipbuilding in preparation or under construction as of March 31, 1954, amounted to approximately \$352,897,350. This sum represents orders for vessels divided among the four shipbuilding areas as follows:

	<i>Naval</i>	<i>Other Govt.</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	19	2	6	\$ 92,092,000
Great Lakes.....	4	—	6	38,121,300
St. Lawrence.....	16	4	4	160,584,050
Atlantic Coast.....	9	—	—	62,100,000
	<u>48</u>	<u>6</u>	<u>16</u>	<u>\$352,897,350</u>

Table III which follows gives particulars of the sixteen merchant vessels and six Government vessels in preparation or under construction as of March 31, 1954.

TABLE III
PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION IN
CANADIAN SHIPYARDS, MARCH 31, 1954

Name of Owner	Name of Ship	Length (o.a.) Beam and Depth	Power plant	Estimated Speed	Estimated dead- weight Carrying Capacity	Name of Shipyard	Type of Vessel
Straits Towing Limited.....	<i>Hull Nos. 133 and 134..</i>	130'0" 43'0" 10'0"	Non-prop.....	.....	1,000	Yarrows Limited.....	Steel Barges
Vancouver Tug Boat Co. Ltd.....	<i>Hull No. 137.....</i>	175'0" 43'0" 12'6"	Non-prop.....	.....	1,500	Yarrows Limited.....	Steel Barge
Dept. of Public Works.....	<i>Hull No. 130.....</i>	120'0" 40'0" 10'8"	Non-prop.....	.....	.....	Yarrows Limited.....	Dredge
B.C. Dept. of Public Works.....	<i>Hull No. 135.....</i>	181'9" 48'0" 8'0"	340 b.h.p..... T/S Diesel	8 knots.....	.....	Yarrows Limited.....	Ferry
B.C. Forest Products Ltd.....	<i>Barker Pontoon No. 1..</i>	80'0" 40'0" 6'0"	Non-prop.....	.....	.....	Victoria Machinery Depot Com- pany Limited	Barker Pontoon
Kingcome Navigation Co. Ltd.....	<i>Hull Nos. 278 and 279.</i>	342'8" 63'0" 19'6"	Non-prop.....	.....	6,000	Burrard Dry Dock Company Limited	Steel Barges
N. M. Paterson & Sons Ltd.....	<i>Paterson.....</i>	574'3" 58'0" 31'0"	3,300 s.h.p..... S/S Steam Turbine	14 m.p.h.	11,800	Port Arthur Shipbuilding Company Limited	Bulk Freighter
Canada Steamship Lines Ltd.....	<i>Georgian Bay.....</i>	620'0" 68'0" 35'0"	4,500 s.h.p..... S/S Steam Turbine	14 knots..	16,200	The Collingwood Shipyards Limited	Bulk Freighter

Canada Steamship Lines Ltd.....	<i>Hull No. 150</i>	461'6" 56'0" 32'0"	4,500 s.h.p..... S/S Steam Turbine	15 knots..	9,380	The Collingwood Shipyards Limited	Package and Grain Freighter
Upper Lakes & St. Lawrence Trans- portation Co. Ltd.	<i>R. Bruce Angus</i> (Major Conversion)	620'0" 68'0" 33'0"	4,500 s.h.p..... S/S Steam Turbine	14 knots..	15,730	The Collingwood Shipyards Limited	Bulk Freighter
Canada Steamship Lines Ltd.....	<i>T. R. McLagan</i>	715'0" 70'0" 37'0"	8,500 s.h.p..... S/S Steam Turbine	17 m.p.h.	22,790	Midland Shipyards Limited.....	Bulk Freighter
Colonial Steamships Limited.....	<i>Hull No. 14</i>	684'6" 72'0" 37'0"	10,000 s.h.p..... S/S Steam Turbine	18½ m.p.h.	22,600	Port Weller Dry Docks Ltd.....	Bulk Freighter
Canadian National Railways.....	<i>William Carson</i>	351'0" 68'0" 34'9"	10,000 s.h.p..... T/S Diesel Electric	15 knots..	1,880	Canadian Vickers Limited.....	Auto-passenger Ferry
Hall Corporation of Canada Limited.	<i>Hutchkiffe Hall</i>	259'0" 43'10" 20'9"	1,280 h.p..... T/S Diesel	9½ knots..	3,750	Canadian Vickers Limited.....	Canal-size Freighter
Hall Corporation of Canada Limited.	<i>Eastcliffe Hall</i>	259'0" 43'10" 20'9"	1,280 h.p..... T/S Diesel	9½ knots .	3,750	Canadian Vickers Limited.....	Canal-size Freighter
Department of Transport.....	<i>Hull No. 263</i>	229'0" 42'0" 19'6"	2,000 i.h.p..... T/S Steam Skinner Unaflo	12 knots..	1,300	Canadian Vickers Limited.....	Lighthouse Supply Vessel
Andros Shipping Co. Ltd.....	<i>Andros Fortune</i>	595'0" 84'0" 44'0"	12,500 s.h.p..... S/S Steam Turbine	16 knots..	28,000	Davie Shipbuilding Limited.....	Ocean-going Tanker
Sun Steamship Limited.....	<i>Sunrip</i>	440'0" 62'6" 40'9"	5,000 s.h.p..... S/S Steam Turbine	13½ knots.	12,400	Davie Shipbuilding Limited.....	Ore Carrier
City of Three Rivers.....	<i>Radisson</i>	163'0" 72'0" 17'0"	1,200 b.h.p..... Diesel	12 m.p.h.	180	Davie Shipbuilding Limited.....	Auto-passenger Ferry
Canadian National Railways.....	<i>Hull No. 598</i>	320'0" 65'0" 22'0"	12,000 s.h.p..... T/S Diesel	18½ knots	1,000	Davie Shipbuilding Limited.....	Auto-passenger Ferry

III. GENERAL

Coasting Trade of Canada

The Dominion Bureau of Statistics reports that 32,684,000 short tons of cargo were discharged at Canadian customs ports during the calendar year 1953 by vessels engaged in the Canadian coasting trade. For the same period, the National Harbours Board reports that 12,817,000 cargo tons (of 2,000 pounds or 40 cubic feet) of domestic cargo were discharged at the eight National Harbours Board ports, an increase of 12 per cent over domestic traffic inward in 1952.

Approximately $5\frac{1}{2}$ per cent of the total tonnage of cargo in the coasting trade in 1953 (the same proportion as in 1952) was carried in ships not registered in Canada. The great majority of these were British ships registered in the United Kingdom. Thirty-six such British ships entered the coasting trade during the year. While the participation of ships of United Kingdom registry in the seaborne domestic movement of coal from Cape Breton Island increased from 57 per cent in 1952 to 79 per cent in 1953, by reason of the fact that British colliers were available to replace a number of foreign colliers which had been employed under special circumstances in 1952, the participation of Canadian ships in the trade remained almost unchanged at 21 per cent.

The major commodities, and their proportion of the total tonnage, carried in the coasting trade in a recent year (1952) were as follows:

<i>Cargo</i>	<i>Short Tons 000's</i>	<i>%</i>
Grain.....	12,505.6	38.5
Petroleum oils and products.....	5,923.5	18.2
Pulpwood.....	2,733.9	8.4
Coal and coke.....	1,991.1	6.2
Logs and piling.....	1,336.5	4.1
Sand, gravel, and stone.....	1,157.1	3.6
Iron ore.....	886.5	2.7
Cement.....	546.3	1.7
Limestone.....	434.5	1.3
Non-ferrous metallic ores.....	342.2	1.1
Hogged fuel.....	332.2	1.0
Newsprint and paper.....	267.5	0.8
Gypsum.....	215.7	0.7
Lumber and timber.....	163.4	0.5
All other cargo.....	3,647.9	11.2
	32,491.9	100.0

Direct Trade Between the Great Lakes and Overseas

Vessels registered outside Canada and the United States made 638 passages with cargo through the St. Lawrence canals in 1953. The number compares with 338 in 1952. The rapidly increasing number of vessels from overseas entering the Great Lakes reflects the growing interest of European shipowners in establishing themselves in Great Lakes-overseas trades preparatory to the development of the St. Lawrence Seaway. Under the provisions of the Canada Shipping Act, foreign vessels may load and discharge cargo at Canadian ports in international trade, but only vessels registered in the British Commonwealth may carry cargo destined from one Canadian port to another in the coasting trade.

Records

The Commission has kept records of freight market fixtures and indices, of the movements and employment of Canadian-owned ships, of liner-berth services from Canada, and of other matters of continuing interest. These records provide statistical data for various studies.

Table IV which follows shows the shipping services maintained to and from Canada during 1953.

TABLE IV
1953 CARGO-LINER SERVICES

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to United Kingdom and Eire.....	1 Canadian* 1 Norwegian 1 Greek 10 British	1 Irish 1 Italian 1 Panamanian	42
Pacific Coast Ports to United Kingdom and Eire.....	1 Canadian* 1 Danish 1 Dutch/British	3 British 1 Swedish 1 United States	14
Great Lakes Ports to United Kingdom and Eire.....	1 British 1 Norwegian	1 Canadian	8
St. Lawrence and Atlantic Ports to North and Northwest Europe.....	1 Canadian* 3 Norwegian 1 Swedish 2 German 1 Italian	1 British 1 French 1 Dutch 1 Greek 1 Panamanian	24
Pacific Coast Ports to North and Northwest Europe.....	1 British 1 French 1 Dutch/British 1 United States	2 Norwegian 1 Swedish 1 Danish	14
Great Lakes Ports to North and Northwest Europe.....	2 Swedish 1 Dutch	1 Norwegian 1 German	16

TABLE IV—*Concluded*1953 CARGO-LINER SERVICES—*Concluded*

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to Mediterranean.....	1 Canadian* 1 Greek 1 Italian	1 French 1 United States	5
Pacific Coast Ports to Mediterranean....	1 Italian		1
Great Lakes Ports to Mediterranean.....	1 French		3
St. Lawrence and Atlantic Ports to Caribbean.....	3 Canadian* 1 Swedish 1 United States 1 British	1 Colombian 1 Venezuelan 1 German	16
Pacific Coast Ports to Caribbean.....	2 Canadian 1 Panamanian	2 United States 1 Japanese	8
Great Lakes Ports to Caribbean.....	1 German		1
St. Lawrence and Atlantic Ports to Africa	1 British	1 Norwegian	2
Pacific Coast Ports to Africa.....	1 Dutch	1 Japanese	2
St. Lawrence and Atlantic Ports to India and Persian Gulf.....	1 British		1
Pacific Coast Ports to India and Persian Gulf.....	1 Dutch/Norwegian 1 United States		3
St. Lawrence and Atlantic Ports to South America.....	1 United States 1 Norwegian	1 British	4
Pacific Ports to South America.....	3 American 2 Norwegian	1 Japanese 1 Chilean	10
St. Lawrence and Atlantic Ports to Aus- tralia and New Zealand	1 British		2
Pacific Coast Ports to Australia and New Zealand.....	1 New Zealand 1 United States	1 Swedish	4
St. Lawrence and Atlantic Ports to Far East.....	2 British 1 Danish	1 Dutch 1 United States	5
Pacific Coast Ports to Far East.....	1 British 2 United States 1 Danish 1 Dutch/Norwegian	1 Japanese 2 Norwegian 1 Swedish/Norw.	12
Pacific Coast Ports to South Sea Islands..	1 Norwegian		Every 2 months
Pacific Coast Ports—B.C.—to California.	1 Norwegian		4

* Asterisk indicates Canadian lines using ships of other than Canadian flag to provide or to augment the cargo-liner service.

Table V below shows particulars of the participation of Canadian and other shipping in Canada's overseas trade in each of the years 1947 to 1952. Statistics for 1953 are not yet available.

TABLE V
CANADIAN-FLAG PARTICIPATION IN THE CARRIAGE OF CANADA'S
OVERSEAS TRADE

DRY CARGO ONLY

(Trade with or via the United States of America excluded.)

	1947	1948	1949	1950	1951	1952
Total Dry Cargo Exports and Imports, tons of 2,000 pounds '000's.....	16,327	15,168	17,046	15,432	21,570	25,814
Percentage carried—						
—in Canadian-flag ships.....	20.2	17.9	13.6	9.9	7.9	6.4
—in United Kingdom ships...	45.2	46.3	43.1	48.8	40.6	35.4
—in ships of other flags.....	34.6	35.8	43.3	41.3	51.5	58.2
	100.0	100.0	100.0	100.0	100.0	100.0

Steamship Subventions

In accordance with the terms of the Canadian Maritime Commission Act, the Commission continued to administer Steamship Subventions voted by Parliament.

During the fiscal year 1953-54, subventions were administered for Coastal and Inland waters only; the subsidy contract between the Commission and the Canadian Australasian Line Limited, for its ocean service between Vancouver, New Zealand and Australia, expired at the end of March, 1953, and was not renewed, due to the withdrawal of the RMS "AORANGI" from service on account of obsolescence.

Coastal services aided by subvention comprised two services on the Pacific Coast, two on the Great Lakes and twenty-five on the River and Gulf of St. Lawrence and the East Coast, and, in addition nine different routes covering the Coast of Newfoundland and lower part of Labrador served by vessels operated by the Canadian National Railways. All services were surveyed and ships inspected.

During the year the subsidy contract for one of the two services on the Pacific Coast expired and was not renewed. Nine applications for increase in subsidy assistance for existing services were received during the year. The Commission recommended increases in seven instances, due to increased operating costs, and declined two.

One application for increase in subsidy for improvement in equipment was deferred pending further enquiry. Five applications for subsidy assistance for new services were considered but not recommended.

The Commission recommended against renewal of one subsidy contract, which expired at the close of navigation in 1953, on the grounds that traffic had declined to a point where a steamer service was no longer required.

The subsidies paid during the year amounted to \$4,060,148, representing an increase of \$214,785 from the previous year's total of \$3,845,363. Table VI shows the provincial and interprovincial distribution of subsidy payments.

TABLE VI
SUBSIDIZED STEAMSHIP SERVICES

<i>Interprovincial Services</i>	
Between Quebec, Prince Edward Island and Nova Scotia..	120,000
Between Nova Scotia and Prince Edward Island.....	158,000
Between Nova Scotia and New Brunswick.....	29,625
Between New Brunswick and Quebec.....	89,000
<i>Provincial Services</i>	
British Columbia.....	362,499
New Brunswick.....	101,600
Nova Scotia.....	301,255
Ontario.....	104,553
Quebec.....	890,500
Newfoundland.....	1,903,116
Total.....	<u>\$4,060,148</u>

NOTE:—The above total is net amount paid after recapture of subsidy from the following services:

Prescott and Ogdensburg.....	15,000
Owen Sound—Manitoulin Island.....	30,447
Total Refund 1953-1954.....	<u>\$ 45,447</u>

Park Steamship Company Limited

The functions of this Company have continued to be carried out by the staff of the Commission whose three members are its sole Directors.

There was no change during the past year in the number of vessels with which this Company is charged, these being five Stores Issuing Ships of which two are 10,000-ton deadweight Canadian type and three 10,000-ton deadweight Victory type. By agreement these five vessels, originally lent to the United Kingdom Ministry of Transport under Mutual Aid, may be retained indefinitely as long as they are required for use by the British Admiralty; no revenue accrues to the Company from their operations.

During the year 1953 there was little activity although one waiver certificate was received under the Knock for Knock Agreement between the Governments of Canada and the United States of America making necessary the charging to reserve of \$14,487.55.

It is hoped that in this coming year the remaining Hull Claims will be adjusted; however, there are minor claims resulting from the Company's operations which are received from time to time and are generally subject to recovery from insurance underwriters.

The Company continues to act as agent for Crown Assets Disposal Corporation in matters concerning ship sales and collection of outstanding mortgages. In addition the Company continues to act in an advisory capacity when required by the Corporation.

The facilities of the Company are being maintained and could be expanded should the need arise.

Canadian Vessel Construction Assistance Act

During the year under review a total capital expenditure of \$24,068,530.29 has been determined by the Commission as eligible for the benefits of accelerated depreciation provided by Section 3 of the Act. The Act continues to encourage the building and conversion of ships of all types and sizes in Canadian shipyards.

The number of capital cost applications processed and the expenditures covered by capital cost determinations for each fiscal year starting in 1950 are shown in Table VII.

TABLE VII
CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT
Capital Cost Determinations in each Fiscal Year Since 1950

Year	NEW CONSTRUCTION		CONVERSIONS OR MAJOR ALTERATIONS	
	Number of Applications Processed	Expenditures Covered by Capital Cost Determinations	Number of Applications Processed	Expenditures Covered by Capital Cost Determinations
1950.....	4	\$ 3,348,310.96	17	\$ 1,468,496.33
1951.....	23	10,566,731.57	16	1,113,820.56
1952.....	36	28,109,011.75	21	4,387,848.89
1953.....	68	20,855,143.04	17	3,213,387.25

The steady rise in the number of determinations each year indicates a greater interest in the benefits of the Act by the owners of small vessels. Had applications with respect to some large capital cost determinations not been delayed until after the close of the fiscal year the expenditures covered by capital cost determinations for 1953 would have exceeded 1952.

North Atlantic Treaty Organization

The Fifth Meeting of the Planning Board for Ocean Shipping was held in London in October, 1953. The Canadian delegation was headed by a Commissioner and included the President of the Canadian Shipowners Association as an adviser.

The Commission as the agency responsible for the co-ordination of N.A.T.O. Shipping Plans in Canada keeps in continual touch with the Co-Chairmen of the Board in connection with interim planning matters and the Commission's staff is represented on two Committees set up by the Planning Board.

Inter-Governmental Maritime Consultative Organization (I.M.C.O.)

The Chairman of the Commission is also Chairman of the Preparatory Commission for setting up this specialized agency of the United Nations as soon as the Convention signed at Geneva in 1948 has been ratified by the requisite number of nations.

This ratification has proceeded slowly and since there are a number of important international questions, such as safety of life at sea, tonnage measurement, oil pollution, etc., awaiting the setting up of this organization, a Conference was held in London in October, 1953, at which the fourteen nations which had already ratified the Convention were represented. A Commissioner headed the Canadian delegation. The meeting decided upon concerted arrangements for appealing to other nations to ratify the Convention in order that the Organization could be brought into being without further delay.

Degaussing and Stiffening of Canadian Merchant Ships

The Commission has continued its work as the co-ordinating agency for implementing the Government's policy of stiffening and degaussing Canadian merchant ships.

A conference on this subject was held in London under N.A.T.O. auspices in October, 1953, to discuss standards and general policy. The Canadian delegation was headed by a Commissioner.

Up to the present, four ships have been fitted while under construction and seven others are in hand. Thirty-one ships have had their degaussing equipment repaired and equipment has been fitted in or is being arranged for eleven other ships.

Military Movements

The Commission has continued to act as the co-ordinating agency for the overseas shipping movements of Armed Services personnel and military cargo.

These movements consist primarily of the transportation of troops and their dependents to and from Western Europe and of the

supplies required to maintain the Canadian forces in that area. In addition, the Commission supervises the allocation of Mutual Aid cargo for shipment to N.A.T.O. countries. In the year under review, the Commission, on behalf of the Department of National Defence, negotiated reductions in government military cargo rates to the United Kingdom, Western Europe and the Mediterranean region, and also obtained agreement to a simplified classification for government military cargo.

For military cargo operations in Korea, the Commission arranged for the charter of four Canadian-flag ships to the Department of National Defence, each for a period of four to five months. All four ships were engaged in Korean operations at March 31, 1954.

Importation of Ships

The Commission has continued to advise the Department of National Revenue upon applications for the suspension of Canadian coastal laws to permit the temporary operation of foreign-flag or foreign-built ships in the Canadian coasting trade. The Commission, in co-operation with the Department of Transport, advises the Minister of Transport on the administration of Section 22 of the Canada Shipping Act relating to the registration of ships built outside of Canada.

The Commission

Mr. J.-C. Lessard, Department of Transport, who became Chairman of the Commission on December 13, 1950, resigned from the Commission on December 31, 1953.

Mr. L. C. Audette, who had been a member of the Commission since its establishment, became Chairman on January 1, 1954.

Mr. C. W. West, Deputy Minister of Transport, became a Commissioner on January 1, 1954.

The Staff of the Commission on March 31st numbered 26 whose annual salaries, together with the salaries paid to members of the Commission, amounted to \$121,699.80.

Dated at Ottawa the 24th day of June, 1954.

L. C. AUDETTE,
Chairman,
ANGUS MCGUGAN,
Commissioner.
C. W. WEST,
Commissioner.

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY CANADIAN SHIPYARDS DURING 1953

APPENDIX A

Name of Owner	Name of Vessel	Length (b.p.) Beam and Depth	Power Plant	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Yarrows Limited.....	<i>Oil Barge Yarrows Ltd. No. 1</i>	49.3 19.9 5.0	Non-prop.....	.....	46	Yarrows Limited.....	Steel Scow
Kingcome Navigation Company Limited	<i>K.N. 22.....</i>	110.0 40.0 10.0	Non-prop.....	.....	1,059	Yarrows Limited.....	Steel Barge
Vancouver Freighting Company Limited	<i>V.T. No. 44.....</i>	152.5 43.0 10.0	Non-prop.....	.....	558	Yarrows Limited.....	Steel Barge
Straits Towing Limited.....	<i>Straits No. 9.....</i>	110.1 40.0 10.7	Non-prop.....	.....	395	Pacific Drydock Company Limited	Wood Scow
Algoma Steamships Limited.....	<i>E. B. Barber.....</i>	560.5 59.2 27.1	3,300 a.h.p..... S/S Steam Turbine	13 m.p.h.	8,619	Port Arthur Shipbuilding Company Limited	Bulk Freighter
Flota Mercante Grancolumbiana.....	<i>Ciudad de Valencia.....</i>	395.0 55.0 24.5	4,275 h.p..... S/S Diesel	14½ knots.	4,327	Canadian Vickers Limited.....	Cargo Vessel
Flota Mercante Grancolumbiana.....	<i>Ciudad de Cali.....</i>	395.0 55.0 24.5	4,275 h.p..... S/S Diesel	14½ knots	4,327	Canadian Vickers Limited.....	Cargo Vessel
Flota Mercante Grancolumbiana.....	<i>Ciudad de Ibaguè.....</i>	395.0 55.0 24.5	4,275 h.p..... S/S Diesel	14½ knots.	4,327	Canadian Vickers Limited.....	Cargo Vessel

Flota Mercante Grancolumbiana.....	<i>Ciudad de Cumana</i>	395.0 55.0 24.5	4,275 h.p..... S/S Diesel	14½ knots.....	4,327	Canadian Vickers Limited.....	Cargo Vessel
Royal Canadian Navy.....	<i>H.M.C.S. Thunder</i>	Secret	T/S Diesel.....	.....	Secret	Canadian Vickers Limited.....	Minesweeper
Royal Canadian Navy.....	<i>H.M.C.S. Chignecto</i>	Secret	T/S Diesel.....	.....	Secret	Marine Industries Limited.....	Minesweeper
Department of Public Works.....	<i>P.W.D. No. 401</i>	110.0 40.0 9.2	Non-Prop.....	.....	561	Geo. T. Davis & Sons Limited.....	Drillboat
Department of Transport.....	<i>D'Iberville</i>	290.8 66.8 37.1	10,800 i.h.p..... T/S Skinner- Unaflo	12 knots..	5,678	Davie Shipbuilding & Repairing Company Limited	Icebreaker
Royal Canadian Navy.....	<i>H.M.C.S. Gaspe</i>	Secret	T/S Diesel.....	.....	Secret	Davie Shipbuilding & Repairing Company Limited	Minesweeper
Royal Canadian Navy.....	<i>H.M.C.S. Cowichan</i>	Secret	T/S Diesel.....	.....	Secret	Davie Shipbuilding & Repairing Company Limited	Minesweeper
Andros Shipping Company.....	<i>Andros Venture</i>	603.9 84.2 44.2	12,500 s.h.p..... S/S Steam Turbine	16 knots..	17,845	Davie Shipbuilding & Repairing Company Limited	Oil Tanker
Province of New Brunswick.....	<i>Abnaki</i>	58.6 33.5 7.5	480 b.h.p..... T/S Diesel	9 knots...	105	Saint John Dry Dock Company Limited	Auto-Passenger Ferry

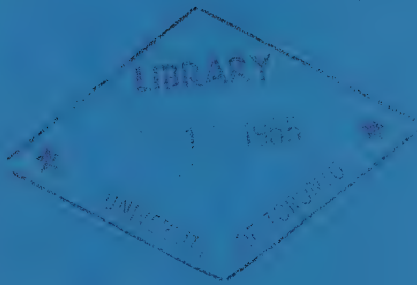
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Canadian Maritime Commission

EIGHTH REPORT
OF THE
CANADIAN
MARITIME COMMISSION

JUNE 27th, 1955

1954/55



SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

PRICE 15 CENTS

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EIGHTH REPORT

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MARITIME COMMISSION

JUNE 27th, 1955

SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955

The Honourable GEORGE C. MARLER, P.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act 1947, I have the honour to submit herewith the eighth report of the Canadian Maritime Commission, covering the period between April 1, 1954 and March 31, 1955.

I have the honour to be, Sir,

Your obedient servant,

L. C. AUDETTE,
Chairman.

Ottawa,
June 27, 1955.

TABLE I
CANADIAN MERCHANT FLEET
(Ships of 1,000 Gross Tons and over)

	March 31, 1954		March 31, 1955	
	No.	Gross Tons	No.	Gross Tons
<i>Ocean-going Ships in Foreign Trade</i>				
War-built cargo ships				
10,000 tonners.....	18	128,739	5	35,872
4,700 tonners.....	7	20,511	7	20,511
Passenger ships.....	1	9,034	—	—
Diesel cargo ships.....	3	20,236	3	20,236
Other cargo ships.....	5	21,930	3	13,327
	34	200,450	18	89,946
Tankers.....	13	123,581	9	114,134
	47	324,031	27	204,080
<i>Ships in Coasting Trade</i>				
War-built cargo ships				
10,000 tonners.....	3	21,550	—	—
4,700 tonners.....	1	2,875	1	2,875
Other passenger and dry-cargo ships.....	48	132,210	49	133,402
	52	156,635	50	136,277
Tankers.....	11	24,685	11	25,359
	63	181,320	61	161,636
<i>Lakes-and-St. Lawrence Canallers</i>				
Dry-cargo ships.....	144	280,578	147	288,174
Tankers.....	32	62,152	34	65,330
	176	342,730	181	353,504
<i>Upper Lakers</i>				
Dry-cargo and passenger ships.....	72	454,093	75	489,485
Tankers.....	2	25,233	1	12,638
	74	479,326	76	502,123
SUMMARY				
Dry-cargo and passenger ships.....	302	1,091,756	290	1,003,882
Tankers.....	58	235,651	55	217,461
	360	1,327,407	345	1,221,343
SHIPS UNDER UNITED KINGDOM REGISTRY				
Retained under U.K. Registry.....	55	392,406	53	378,114
Transferred to U.K. Registry.....	41	281,410	45	309,450
Supply ships, on loan.....	5	36,403	5	36,403
	101	710,219	103	723,967

EIGHTH ANNUAL REPORT

I. Shipping

This report covers the period from April 1, 1954 to March 31, 1955. During this period there was a reduction of sixteen in the number of war-built merchant ships of the 10,000 deadweight ton class on Canadian registry as a result of transfers to United Kingdom registry under the transfer plan and sales abroad under the replacement plan. At the same time, there was a net increase of two in the number of Canadian-owned vessels transferred to United Kingdom registry after accounting for sales to foreign buyers. A passenger ship, employed since 1947 in bringing immigrants from Europe to Canada, and two deep-sea tankers were among ships sold abroad; a veteran cargo ship in the newsprint trade was disposed of for scrapping, and a Canadian-owned cargo ship on United Kingdom registry became a total loss after stranding. There was one notable addition to the Canadian ocean fleet with the completion of the second of two 28,000 deadweight ton tankers built in Canada under the tonnage replacement plan.

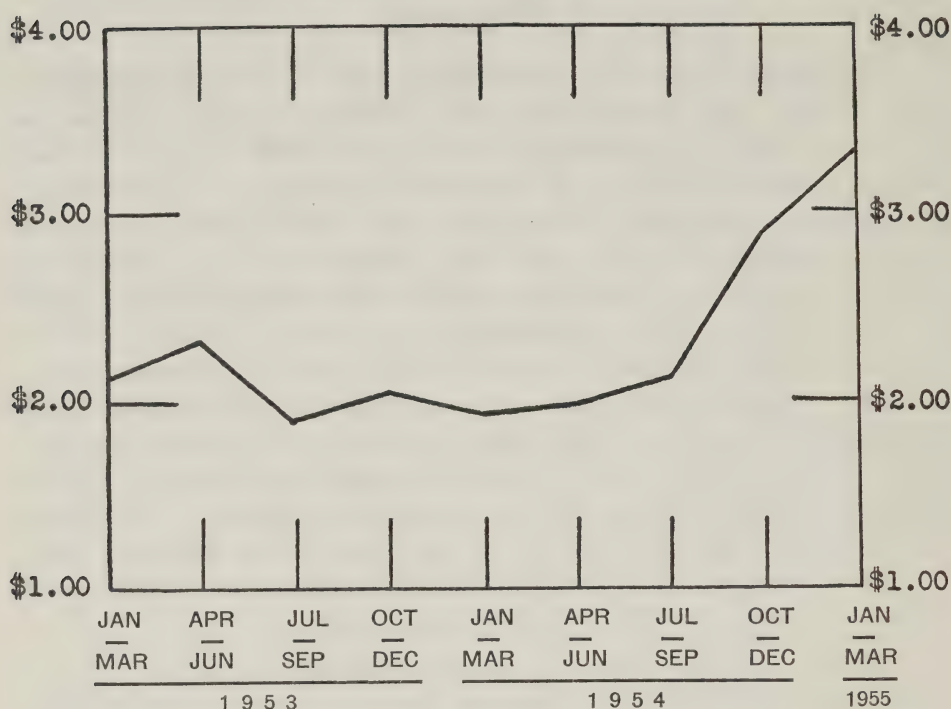
Table I, facing, shows the number and gross tonnage of merchant ships of 1,000 gross tons and over composing the Canadian merchant fleet on March 31, 1954 and March 31, 1955. It will be seen that the most significant change over the twelve month period has been the diminution of Canadian-flag ocean-going shipping, pursuing a trend which began in 1949. Other than a few ships engaged in home-trade voyages and sporadic transatlantic voyages, there are now no Canadian-flag ships providing overseas transportation for passengers or cargo from Canadian ports.

The inability of Canadian ships to survive in world-wide competition is due to inherent high operating costs in relation to those of major competitors and to the low level at which freight rates settled in 1949 and 1950 and again from 1952 until mid-1954. In August, 1954, freights began to climb steeply, and have since reached their highest point since the decline from the peaks reached during the Korean hostilities. The increase in time charter rates is illustrated graphically on page 6.

TIME CHARTER RATES FOR 10,000-TON OIL-BURNING STEAMERS

(THREE-MONTH AVERAGES)

CANADIAN DOLLARS PER DEADWEIGHT TON PER MONTH



The upsurge in demand for shipping resulted largely from European, South American, and Japanese coal purchases, a resumption in the movement of grain, and, as usual in periods of greater than normal demand, from the need of the liner companies to turn to the time charter market for tonnage to meet their requirements. At the level of freights which has prevailed since August, 1954, the operation of the Canadian ships under United Kingdom registry should, in general, give their owners cause for satisfaction. With approaching obsolescence, however, war-built ships are gravitating towards the flags which offer low-taxation benefits; progressive owners in some maritime countries are deliberately eliminating the "Libertys" and similar-type vessels from their fleets.

Table II shows the distribution of the Canadian-flag merchant fleet according to age, and Table III, according to the country in which the ships were built. The 172 ships built after 1935, and therefore less than twenty years old, represent forty-six per cent of the total gross tonnage of the fleet. Twenty-eight per cent of the

TABLE II

CANADIAN MERCHANT FLEET

as at March 31, 1955

DISTRIBUTION BY TONNAGE GROUPS ACCORDING TO YEAR OF ORIGINAL CONSTRUCTION
(Self-propelled ships of 200 gross tons and over, excluding non-commercial vessels, tugs, ferries, and the fishing fleet)

Year of Build	200-499 G.T.		500-999 G.T.		1,000-1,999 G.T.		2,000-4,999 G.T.		5,000-9,999 G.T.		10,000 G.T. and Over		Totals Across	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons
1951-1955.....	1	371	.....	.....	.....	.....	7	15,403	4	30,061	14	190,893	26	236,728
1946-1950.....	11	4,014	8	4,644	12	18,718	8	21,232	6	37,870	4	54,957	49	141,435
1941-1945.....	21	6,423	13	8,842	10	14,199	21	61,544	6	43,112	5	53,319	76	187,439
1936-1940.....	10	3,146	1	888	7	10,483	3	6,692	.....	.....	.....	.....	21	21,209
1931-1935.....	3	783	2	1,524	7	12,009	.....	.....	.....	.....	.....	.....	12	14,316
1921-1930.....	6	1,881	7	5,444	89	160,745	40	98,932	9	63,550	1	10,480	152	341,032
1911-1920.....	9	2,896	8	5,687	14	21,212	6	13,612	4	28,993	.....	.....	41	72,400
1901-1910.....	5	2,209	.....	.....	10	17,596	24	86,794	9	55,367	.....	.....	48	161,966
1900 and earlier....	3	1,121	2	1,347	5	9,102	18	72,439	2	12,029	.....	.....	30	96,038
Totals down.....	69	22,844	41	28,376	154	264,064	127	376,648	40	270,982	24	309,649	455	1,272,563

TABLE III
CANADIAN MERCHANT FLEET
as at March 31, 1955

DISTRIBUTION BY TONNAGE GROUPS ACCORDING TO COUNTRY OF ORIGINAL CONSTRUCTION
(Self-propelled ships of 200 gross tons and over, excluding non-commercial vessels, tugs, ferries, and the fishing fleet)

Country of Build	200-499 G.T.		500-999 G.T.		1,000-1,999 G.T.		2,000-4,999 G.T.		5,000-9,999 G.T.		10,000 G.T. and over		Totals across	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons
Canada.....	52	16,913	13	7,772	38	62,465	44	111,786	24	176,300	18	238,447	189	613,683
United Kingdom.....	7	2,687	13	10,260	92	164,579	43	108,992	6	35,148	.....	.....	161	321,666
United States of America.	9	2,996	14	9,753	19	30,385	38	150,206	10	59,534	6	71,202	96	324,076
Other Foreign Countries.	1	248	1	591	5	6,635	2	5,664	.....	.....	.....	.....	9	13,138
Totals down.....	69	22,844	41	28,376	154	264,064	127	376,648	40	270,982	24	309,649	455	1,272,563

tonnage is between twenty and thirty-four years old, and twenty-six per cent is thirty-five years old or more. As the economical life expectancy of a vessel employed in salt water trades is about twenty years, and in fresh water trades, about thirty-five years, these statistics indicate a high degree of obsolescence in the merchant fleet. The preponderance of vessels built in the period 1921 to 1930, consisting mostly of canal-size ships designed for the existing fourteen-foot St. Lawrence canals, constitutes a special problem in "block obsolescence"; their replacement must necessarily take account of the changed conditions which will come about with the St. Lawrence Seaway.

Since November, 1953, when the Government decided to permit additional transfers of Canadian-owned ships to United Kingdom registry, twenty-four ships have been transferred, thirteen of them in the period covered by this report.

The replacement plan continued in operation during the year and thirteen ships were sold under its provisions, resulting in a net increase in escrow funds of \$6,549,509.36. Funds held in escrow under the replacement plan were used to finance the building of an ocean-going ship destined for employment on the West Coast. Since the commencement of the plan in 1948, the sale of ships has resulted in the placing in escrow of a total of \$57,232,210.30 of which \$17,526,000 has been used or allocated for the building of two large tankers and one ocean-going dry cargo vessel in Canadian shipyards, the acquisition of five dry cargo ships and the modernization of fifteen existing freight vessels embracing conversion to oil, modifications to cargo capacity, the fitting of improved type propellers and stiffening to increase deadweight capacity. In addition escrow funds totalling \$29,111,000 have been used to contribute to the building or improvement of lake and coastal vessels, including one self-unloading collier, eleven bulk carriers, seven tankers, two tugs, one dipper dredge, one tow barge, one lake collier and one passenger ferry.

On March 31, 1955, a total sum of \$10,591,000 was held in escrow under the Replacement Plan.

II. Shipbuilding and Ship-Repairing

Shipbuilding

During 1954 the Canadian shipbuilding industry delivered forty-two vessels, particulars of which are given in Table IV. Twenty-eight of these ships were for private domestic account, three for departments of the Federal Government, and one for the Provincial Government of British Columbia. The remaining ten were ships for the Royal Canadian Navy. In contrast with previous years, no ships were built for export. Among the ships delivered for private domestic account were the two largest Upper Lake bulk freighters ever built in a Canadian shipyard, the SS. T.R. McLAGAN, 696·9 feet in length between perpendiculars, and the SS. SCOTT MISENER, 668·1 feet in length. Each vessel can carry more than 800,000 bushels of grain in its holds and has been designed to navigate the St. Lawrence Seaway.

Of the twenty-eight vessels delivered for private domestic account, the Pacific Coast built twelve, all scows or barges of the non-propelled type, ranging in gross tonnage from 468 to 3,740 totalling in all 12,528 gross tons. The Great Lakes accounted for ten vessels, five of which were self-propelled bulk freighters, one an auto passenger ferry and four non-propelled vessels, totalling in all 62,723 gross tons. The St. Lawrence shipyards contributed six ships to the total of twenty-eight: two canallers, one ocean-going cargo ship, one ocean-going tanker, an auto passenger ferry, and a tug, totalling 33,045 gross tons. No new ships for domestic account were built in the Maritimes by any of the shipyards reporting to the Commission.

Building for Government departments other than the Royal Canadian Navy accounted for four vessels, one on the Pacific Coast, 510 gross tons, two on the St. Lawrence, totalling 1,905 gross tons, and one on the Atlantic Coast, 532 gross tons, for a grand total of 2,947 gross tons. On the naval side, ten vessels were delivered, three on the Pacific Coast, three on the Great Lakes, two on the St. Lawrence, and two on the Atlantic Coast. Nine of these vessels were minesweepers, the remaining vessel, the Arctic icebreaker LABRADOR. Approximate total value of ships delivered in 1954 was \$93,049,673.

These figures show a marked improvement over the previous year's totals and, with the single exception of the year 1948, constitute a post-war record. Compared with 1953 there was an increase of over 59,000 in the gross tonnage of ships delivered. This represents a gain of 114 per cent without taking into account the naval

vessels, whose displacement tonnage may not be revealed in this report. If a comparison is made with the two previous years it will be seen that the tonnage delivered last year was greater than in 1952 and considerably in excess of that delivered in 1951. The dollar value of vessels delivered during 1954 rose by more than \$48,750,000, or 110 per cent.

In making such comparisons, it should be remembered that the value of tonnage delivered in any one year is rarely a true measure of the dollar value of work done in that year since the construction of merchant ships usually extends over a two-year period and naval vessels are rarely completed in under several years.

Ship-Repairing

In the ship-repairing branch of the industry, 1,850 merchant ships were repaired. The Pacific Coast had 521 vessels, aggregating 2,255,295 gross tons, the Great Lakes 188 vessels, 535,189 gross tons, St. Lawrence area 547 vessels, 1,386,752 gross tons, and the Atlantic Coast 594 vessels, 2,113,276 gross tons, a grand total of 6,290,512 gross tons, with 19 yards reporting. Sixty-two naval vessels were refitted, repaired, drydocked, or had reconditioning completed during the year. Once again, as was the case during the past two years, the value of ship repairs in the St. Lawrence and Atlantic Coast areas was augmented by reason of the naval reconstruction programme undertaken late in 1951. This consisted in the refit and reconstruction of 16 bangor class minesweepers and the refit and conversion of 20 river class frigates at an estimated cost of \$70,000,000. During 1954 the Commission's recommendation resulted in the allocation of contracts for the refit and conversion of five additional river class frigates. The total value of merchant and naval repair work completed in 1954 amounted to \$38,144,528. Compared with 1953, this constitutes a decrease of \$12,952,620, or 25%.

	<i>Naval</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	8	521	\$ 5,037,300
Great Lakes.....	1	188	5,276,251
St. Lawrence.....	8	547	14,108,262
Atlantic Coast.....	45	594	13,722,715
	<u>62</u>	<u>1,850</u>	<u>\$38,144,528</u>

Employment

During the first few months of 1954, the industry continued to enjoy a relatively high level of employment, but the completion of several large merchant vessels in the Great Lakes and St. Lawrence shipyards resulted in a considerable reduction in the labour force

TABLE IV
PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1954

Name of Owner	Name of Vessel	Length (ft.) Beam and Depth	Power Plant	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Royal Canadian Navy.....	<i>H.M.C.S. James Bay</i>.....	.....	T/S Diesel.....	*	.....	Yarrows Limited.....	Minesweeper
Straits Towing Limited.....	<i>Straits No. 21</i>	130-0 43-0 10-0	Non-prop.....	.....	501	Yarrows Limited.....	Steel Barge
Straits Towing Limited.....	<i>Straits No. 22</i>	130-0 43-1 10-0	Non-prop.....	.....	501	Yarrows Limited.....	Steel Barge
Vancouver Tug Boat Co. Ltd.....	<i>V.T. No. 48</i>	175-1 43-1 12-0	Non-prop.....	.....	761	Yarrows Limited.....	Steel Barge
McKeen & Wilson Ltd.....	<i>K. 44</i>	130-0 43-1 10-0	Non-prop.....	.....	502	Yarrows Limited.....	Steel Barge
B.C. Dept. of Public Works.....	<i>Balfour</i>	181-7 48-0 8-1	340 h.h.p.....	8 knots.....	510	Yarrows Limited.....	Auto-pass. Ferry
Royal Canadian Navy.....	<i>H.M.C.S. Comox</i>	*	T/S Diesel.....	*	.....	Victoria Machinery Depot Co. Ltd.	Minesweeper
Royal Canadian Navy.....	<i>H.M.C.S. Fortune</i>	*	T/S Diesel.....	*	.....	Victoria Machinery Depot Co. Ltd.	Minesweeper
B.C. Forest Products Ltd.....	<i>Barker Pontoon No. 1</i>	80-0 40-0 5-7	Non-prop.....	.....	177	Victoria Machinery Depot Co. Ltd.	Steel Pontoon
Island Tug & Barge Ltd.....	<i>Island Tug 45</i>	130-0 40-1 10-0	Non-prop.....	.....	468	Victoria Machinery Depot Co. Ltd.	Steel Barge

S. S. McKeen.....	K. 40.....	126·0 44·0 11·2	Non-prop.....	546	Burrard Dry Dock Co. Ltd.....	Wood Scow
F. S. McKeen.....	K. 41.....	126·0 44·0 11·2	Non-prop.....	545	Burrard Dry Dock Co. Ltd.....	Wood Scow
McKeen & Wilson Ltd.....	K. 43.....	126·0 44·0 11·1	Non-prop.....	540	Burrard Dry Dock Co. Ltd.....	Wood Scow
Straits Towing Ltd.....	Straits No. 24.....	130·0 43·0 10·1	Non-prop.....	508	Burrard Dry Dock Co. Ltd.....	Steel Scow
Powell River Co. Ltd.....	Powell No. 1.....	342·7 63·1 19·3	Non-prop.....	3,739	Burrard Dry Dock Co. Ltd.....	Self-unloading Steel Barge
Powell River Co. Ltd.....	Powell No. 2.....	342·7 63·1 19·3	Non-prop.....	3,740	Burrard Dry Dock Co. Ltd.....	Self-unloading Steel Barge
Royal Canadian Navy.....	H.M.C.S. <i>Chaleur</i>	*	T/S Diesel.....	*	Port Arthur Shipbuilding Co. Ltd..	Minesweeper
Royal Canadian Navy.....	H.M.C.S. <i>Quinte</i>	*	T/S Diesel.....	*	Port Arthur Shipbuilding Co. Ltd..	Minesweeper
N. M. Paterson.....	Paterson.....	560·5 59·2 27·1	3,300 s.h.p..... S/S Steam Turbine	8,618	Port Arthur Shipbuilding Co. Ltd..	Bulk Freighter
Caland Ore Co. Ltd.....	Not registered.....	176·0 50·0 14·0	Non-prop.....	Not Registered	Port Arthur Shipbuilding Co. Ltd..	2 Hulls for Suction Dredges
Caland Ore Co. Ltd.....	Not registered.....	94·0 45·0 8·0	Non-prop.....	Not Registered	Port Arthur Shipbuilding Co. Ltd..	2 Booster Barges
Canada Steamship Lines Ltd.....	Georgian Bay.....	601·5 68·2 31·0	4,500 s.h.p..... S/S Steam Turbine	11,392	The Collingwood Shipyards Ltd...	Bulk Freighter

Not available for publication.

TABLE IV—*Concluded*
 PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
 CANADIAN SHIPYARDS DURING 1954—*Concluded*

Name of Owner	Name of Vessel	Length (b.p.) Beam and Depth	Power Plant	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Upper Lakes & St. Lawrence Transportation Co. Ltd.	<i>R. Bruce Angus</i> (Major Conversion)	601.5 68.3 31.0	4,500 s.h.p..... S/S Steam Turbine	13 knots..	11,816	The Collingwood Shipyards Ltd....	Bulk Freighter
Canada Steamship Lines Ltd.....	<i>T. R. McLagan</i>	696.9 70.2 33.3	8,500 s.h.p..... S/S Steam Turbine	17 m.p.h..	15,500	Midland Shipyards Ltd.....	Bulk Freighter
Royal Canadian Navy.....	<i>H.M.C.S. Resolute</i>	*	T/S Diesel.....	*	.....	Kingston Shipyards Ltd.....	Minesweeper
Prescott & Ogdensburg Ferry Co. Ltd.	<i>Windmill Point</i>	57.9 36.2 10.5	250 b.h.p..... T/S Diesel	10 m.p.h..	118	Kingston Shipyards Ltd.....	Auto-pass. Ferry
Colonial Steamships Ltd.....	<i>Scott Misener</i>	668.1 72.4 32.5	9,000 s.h.p..... S/S Steam Turbine	18½ m.p.h.	15,279	Port Weller Dry Docks Ltd.....	Bulk Freighter
Hall Corporation of Canada Ltd.....	<i>Hutchcliffe Hall</i>	253.4 43.8 19.0	1,280 b.h.p..... T/S Diesel	9 knots...	2,143	Canadian Vickers Ltd.....	Canaller
Hall Corporation of Canada Ltd.....	<i>Hastcliffe Hall</i>	253.4 43.8 19.0	1,280 b.h.p..... T/S Diesel	9 knots...	2,140	Canadian Vickers Ltd.....	Canaller
Dept. of Transport.....	<i>Walter E. Foster</i>	216.5 42.6 17.6	2,000 i.h.p..... S/S Steam Turbine	13½ knots.	1,672	Canadian Vickers Ltd.....	Lighthouse Supply Ship
Royal Canadian Navy.....	<i>H.M.C.S. Labrador</i>	250.0 63.5 37.8	10,500 b.h.p..... T/S Diesel Electric	16 knots..	3,841	Marine Industries Ltd.....	Icebreaker

Dept. of Public Works.....	P.W.D. No. 74.....	104.5 28.2 9.0	Non-prop.....	.....	233	Marine Industries Ltd.....	Steel Scow
Royal Canadian Navy.....	H.M.C.S. <i>Ungava</i>	*	T/S Diesel.....	*	.....	Davie Shipbuilding Ltd.....	Minesweeper
Andros Shipping Co. Ltd.....	<i>Andros Fortune</i>	603.9 84.2 44.2	12,500 s.h.p..... S/S Steam Turbine	16 knots..	17,847	Davie Shipbuilding Ltd.....	Oil Tanker
Sun Terminals Ltd.....	<i>Sunrip</i>	472.3 62.7 38.1	5,000 s.h.p..... S/S Steam Turbine	13½ knots	9,541	Davie Shipbuilding Ltd.....	Cargo Vessel
Corporation de Trois Rivières.....	<i>Radisson</i>	164.3 72.0 15.5	1,250 b.h.p..... S/S Diesel	10 knots..	1,149	Davie Shipbuilding Ltd.....	Auto-pass, Ferry
Davie Shipbuilding Ltd.....	<i>Charlie S</i>	95.0 26.1 12.8	1,200 b.h.p..... S/S Diesel	12 knots..	225	Davie Shipbuilding Ltd.....	Tug
Royal Canadian Navy.....	H.M.C.S. <i>Fundy</i>	*	T/S Diesel.....	*	.....	Saint John Dry Dock Co. Ltd.....	Minesweeper
Royal Canadian Navy.....	H.M.C.S. <i>Miramichi</i> ...	*	T/S Diesel.....	*	.....	Saint John Dry Dock Co. Ltd.....	Minesweeper
Dept. of Public Works.....	P.W.D. No. 22.....	110.1 40.1 8.9	Non-prop.....	.....	532	Ferguson Industries Ltd.....	Dipper Dredge

* Not available for publication

For the purpose of comparison the value of ships delivered and of repairs and conversions carried out in Canadian shipyards from 1947 to 1954 is given in Table V which follows

TABLE V
VALUE OF SHIPS DELIVERED AND OF REPAIRS AND CONVERSIONS CARRIED OUT IN CANADIAN SHIPYARDS, 1947-1954.

Shipbuilding Area	1947	1948	1949	1950	1951	1952	1953	1954
	\$	\$	\$	\$	\$	\$	\$	\$
PACIFIC COAST								
Shipbuilding.....	3,976,066	21,127,252	5,114,021	1,502,800	601,001	3,021,670	287,835	14,020,684
Repairs and Conversions.....	9,892,870	7,983,945	5,520,142	3,653,624	6,603,553	7,217,901	7,335,846	5,037,300
	13,868,936	29,111,197	10,634,163	5,156,424	7,204,554	10,239,571	7,623,681	19,057,984
GREAT LAKES								
Shipbuilding.....	102,000	8,953,700	5,210,996	7,025,000	8,256,600	31,075,024	3,502,850	32,514,789
Repairs and Conversions.....	2,652,655	2,883,436	4,310,629	3,086,631	4,636,319	4,679,525	5,926,099	5,276,251
	2,754,655	11,837,136	9,521,625	10,111,631	12,892,919	35,754,549	9,428,949	37,791,040
St. LAWRENCE								
Shipbuilding.....	34,981,491	52,849,028	21,360,807	10,371,383	4,047,053	6,282,390	40,325,000	38,689,200
Repairs and Conversions.....	5,514,997	4,791,317	2,970,850	5,388,538	7,345,077	14,717,394	21,254,741	14,108,262
	40,496,488	57,640,345	24,331,657	15,759,921	11,392,130	20,999,784	61,579,741	52,797,462
ATLANTIC COAST								
Shipbuilding.....	5,424,207	4,325,289	55,000	7,381,970	.....	1,604,250	300,000	7,950,000
Repairs and Conversions.....	9,529,479	6,990,299	5,230,875	5,001,402	5,750,231	11,147,247	16,570,462	13,722,715
	14,953,686	11,315,588	5,285,875	12,383,372	5,750,231	12,751,497	16,870,462	21,672,715
SUMMARY								
Shipbuilding.....	44,483,764	87,255,269	31,740,824	26,281,153	12,904,654	41,982,334	44,415,685	93,174,673
Repairs and Conversations.....	27,690,001	22,648,997	18,032,496	17,130,195	24,335,180	37,762,067	51,097,148	38,144,528
	72,173,765	109,904,266	49,773,320	43,411,348	37,239,834	79,744,401	95,512,833	131,319,201

in these areas. As may be seen from the following, this more than offset a slight increase in employment in the other two shipbuilding areas. Average monthly employment in the industry (19 yards reporting) was 15,500, a decrease of 21% compared with 1953.

AVERAGE MONTHLY EMPLOYMENT IN THE CANADIAN
SHIPBUILDING INDUSTRY

	<i>Number of Yards Reporting</i>	<i>Pacific Coast</i>	<i>Great Lakes</i>	<i>St. Lawrence</i>	<i>Atlantic Coast</i>	<i>Total</i>
1946	16	4,988	2,148	6,272	2,991	16,399
1947	16	4,119	1,485	8,874	2,657	17,135
1948	16	2,949	2,308	8,045	1,976	15,278
1949	16	1,496	2,168	4,230	1,937	9,831
1950	17	1,100	2,202	3,892	1,336	8,530
1951	19	2,080	2,803	5,237	1,913	12,033
1952	19	2,595	3,591	8,092	2,909	17,187
1953	20	2,547	3,082	10,490	3,511	19,630
1954	19	2,555	1,994	7,407	3,544	15,500

Outlook

The estimated capital cost of new building in preparation or under construction as of March 31, 1955, amounted to approximately \$239,557,687. This sum represents orders for vessels divided among the four shipbuilding areas as follows:

	<i>Naval</i>	<i>Other Govt.</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	16	4	12	\$ 80,624,777
Great Lakes.....	1	1	6	9,022,500
St. Lawrence.....	13	9	2	103,909,860
Atlantic Coast.....	8	4	—	46,000,550
	<u>38</u>	<u>18</u>	<u>20</u>	<u>\$239,557,687</u>

Tables VI and VII which follow give particulars of the twenty merchant vessels, eighteen government vessels, and thirty-eight naval vessels in preparation or under construction as of March 31, 1955.

Included in the foregoing figures are twelve scows, eight cargo or passenger vessels, and eighteen miscellaneous Government vessels, valued at \$23,235,758, being the only new shipbuilding orders placed in 1954. Ships which may be delivered in 1955 are for the most part the result of orders placed several years ago and instead of indicating a healthy condition in the industry, they reflect current decreasing employment trends due to lack of new orders. The Commission feels that this situation will continue to deteriorate until sufficient ship construction is available to provide a reasonable continuity of employment.

TABLE VI
PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1955

Name of Owner	Name of Ship	Length, Beam and Depth	Power Plant	Estimated Speed	Estimated dead- weight Carrying Capacity	Name of Shipyard	Type of Vessel
Black Ball Towing Co. Ltd.....	<i>Hull No. 140.</i>	130'0" 43'0" 10'6"	Non-prop.....	.....	1,000	Yarrows Limited.....	Steel Scow
Straits Towing Co. Ltd.....	<i>Hull Nos. 141, 142 and 146</i>	130'0" 43'0" 10'6"	Non-prop.....	.....	1,000	Yarrows Limited.....	Steel Scows
Dept. of Public Works	<i>Hull No. 130.</i>	150'0" 40'0" 10'6"	Non-prop.....	.....	.....	Yarrows Limited.....	Suction Dredge
Champion & White Ltd.....	<i>Hull No. 143.</i>	114'0" 36'0" 10'0"	Non-prop.....	.....	750	Yarrows Limited.....	Covered Barge
Gilley Brothers Ltd.....	<i>Hull No. 144.</i>	110'0" 34'0" 10'6"	Non-prop.....	.....	750	Yarrows Limited.....	Flat Barge
Island Tug & Barge Ltd.....	<i>Hull No. 145.</i>	130'0" 43'0" 10'6"	Non-prop.....	.....	1,000	Yarrows Limited.....	Steel Scow
Gulf of Georgia Towing Co. Ltd.....	<i>Hull No. 147.</i>	130'0" 43'0" 10'6"	Non-prop.....	.....	1,000	Yarrows Limited.....	Steel Scow
B.C. Dept. of Public Works.....	<i>B.P. No. 152.</i>	200'0" 61'0" 27'0"	Non-prop.....	.....	800	Victoria Machinery Depot Co. Ltd.,	Floating Dry Dock
B.C. Dept. of Public Works.....	<i>Hull No. 71.</i>	75'0" 38'0" 4'6"	.....	5 knots.	.....	Victoria Machinery Depot Co. Ltd.,	Auto-pass. Ferry
F.M. Yorke & Sons Ltd.....	<i>Hull No. 72.</i>	94'0" 34'0" 9'0"	Non-prop.....	.....	.....	Victoria Machinery Depot Co. Ltd.,	Steel Barge
Island Tug & Barge Ltd.....	<i>Hull Nos. 73 and 74.</i>	130'0" 43'0" 10'6"	Non-prop.....	.....	800	Victoria Machinery Depot Co. Ltd.,	Steel Scows
Dept. of Transport.....	<i>Hull No. 283.</i>	150'0" 30'0" 13'6"	1,140 h.p..... T/S Diesel	13½ knots.	252	Burrard Dry Dock Co. Ltd.,.....	Lighthouse & Buoy Tender

Columbia Cellulose Co. Ltd.....	<i>Hull No. 285</i>	90'0" 28'0" 4'6"	Non-prop.....	.....	46	Burrard Dry Dock Co. Ltd.....	Steel Scow
Canada Steamship Lines Ltd.....	<i>Fort Henry</i>	461'7" 36'0" 32'0"	4,500 s.p.h..... S/S Turbine	17½ m.p.h.	8,550	The Collingswood Shipyards Ltd....	Package Freighter
Canada Steamships Lines Ltd.....	<i>Hull No. 152</i>	259'0" 43'10" 22'6"	1,280 s.h.p..... T/S Diesel	11 m.p.h.	3,910	The Collingswood Shipyards Ltd....	Canal Size Freighter
International Transit Co. Ltd.....	<i>Hull No. 153</i>	115'0" 56'0" 9'0"	360 s.p.h..... T/S Diesel	10 m.p.h.	.....	The Collingswood Shipyards Ltd....	Auto-pass. Ferry
Ontario Dept. of Highways.....	<i>Amherst Island</i>	106'6" 37'6" 10'0"	250 h.p..... Diesel	11½ m.p.h.	175	Kingston Shipyards Ltd.....	Auto-pass. Ferry
Beaconsfield Steamships Ltd.....	<i>Hull Nos. 18 and 19</i>	259'0" 43'6" 22'0"	1,600 b.h.p..... Diesel	11 m.p.h.	3,600	Port Weller Dry Docks Limited....	Canal-size Freighters
J. P. Porter Construction Co. Ltd....	<i>A.F. Fifield</i>	84'0" 24'0" 11'0"	900 h.p..... Diesel	12½ m.p.h.	.....	Port Weller Dry Docks Limited....	Tug
Dept. of Mines & Technical Surveys..	<i>Baffin</i>	285'0" 49'6" 29'6"	7,060 s.h.p..... Diesel	15 knots.	1,350	Canadian Vickers Ltd.....	Hydrographic Survey Vessel
British Yukon Ocean Services Ltd.....	<i>Clifford J. Rogers</i>	336'0" 47'0" 24'6"	1,800 s.h.p..... Diesel	14 knots.	4,000	Canadian Vickers Ltd.....	Cargo Vessel
St. Lawrence Dredging Co. Ltd.....	<i>Miki</i>	100'0" 40'0" 8'0"	240 h.p..... Diesel	4 knots.	.....	Canadian Vickers Ltd.....	Suction Cutter Dredge
Canadian National Railways.....	<i>Bluenose</i>	345'10" 65'0" 22'0"	11,160 s.h.p..... T/S Diesel	18½ knots.	900	Davie Shipbuilding Ltd.....	Auto-pass. Ferry
Dept. of Public Works.....	<i>Hull Nos. 61 and 62</i>	86'0" 21'0" 6'0"	Non-prop.....	.....	.....	Geo. T. Davie & Sons Ltd.....	Clamshell Dredges
Dept. of Public Works.....	<i>Hull Nos. 63, 64, 65 and 66</i>	46'0" 20'0" 7'0"	Non-prop.....	.....	.....	Geo. T. Davie & Sons Ltd.....	Steel Scows
Dept. of Transport.....	<i>Hull No. 67</i>	112'0" 30'6" 21'4"	.....	.....	.....	Geo. T. Davie & Sons Ltd.....	Lighthouse Tender
Dept. of Transport.....	<i>Hull No. 108</i>	250'0" 52'6" 18'0"	2,500 b.h.p..... T/S Diesel	13 knots.	.....	Ferguson Industries Ltd.....	Auto-pass. Ferry
Dept. of Public Works.....	<i>Hull Nos. 110, 111, and 112</i>	40'0" 10'6" 5'0"	120 h.p..... Diesel	9 knots.	.....	Ferguson Industries Ltd.....	Tugs

TABLE VII
NAVAL VESSELS IN PREPARATION OR UNDER CONSTRUCTION
IN MAJOR CANADIAN SHIPYARDS
MARCH 31, 1955

<i>Builder</i>	<i>No. and Type of Vessel</i>	
PACIFIC COAST		
Yarrows Limited, Esquimalt, B.C.....	1	A/S Escort Vessel
	1	Minesweeper
	1	Ammunition Lighter
	1	Inner Patrol Vessel
Victoria Machinery Depot Co. Ltd., Victoria, B.C...	1	A/S Escort Vessel
	1	Minesweeper
	1	Water Boat
	4	Inner Patrol Vessels
Burrard Dry Dock Co. Ltd., North Vancouver, B.C.	3	A/S Escort Vessels
	1	Crane Lighter
	1	Derrick Scow
	16	
GREAT LAKES		
Port Arthur Shipbuilding Co. Ltd., Port Arthur, Ont..	1	Minesweeper
ST. LAWRENCE		
Canadian Vickers Limited, Montreal, P.Q.....	3	A/S Escort Vessels
Marine Industries Ltd., Sorel, P.Q.....	2	A/S Escort Vessels
	1	Minesweeper
	2	Ammunition Lighters
Geo. T. Davie & Sons Ltd., Lauzon, Levis, P.Q.....	1	Minesweeper
	1	Loop Layer
	1	Modified Norton Tug
Davie Shipbuilding Ltd., Lauzon, Levis, P.Q.....	1	A/S Escort Vessel
	1	Minesweeper
	13	
ATLANTIC COAST		
Saint John Dry Dock Co. Ltd., East Saint John, N.B.	1	Crane Lighter
	2	Modified Norton Tugs
Halifax Shipyards Ltd., Halifax, N.S.....	3	A/S Escort Vessels
Ferguson Industries Ltd., Pictou, N.S.....	1	Derrick Scow
	1	Power Barge
	8	
TOTAL.....	38	

Ships built in Canada 1914-1953

With the cooperation of the shipbuilding industry, the Commission last year compiled a statistical record of the number and tonnage of steel self-propelled merchant and naval vessels built in Canadian shipyards during each of the forty years extending from 1914 to 1953. These statistics, which include the deliveries of various wartime shipyards no longer in existence, are given in Table VIII below.

TABLE VIII

NUMBER AND TONNAGE OF STEEL SELF-PROPELLED MERCHANT AND NAVAL VESSELS DELIVERED BY CANADIAN SHIPYARDS 1914-1953.

Year	Cargo		Tanker		Cargo Passenger		Total Merchant Vessels		Total Naval Vessels	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Displ. Tons
1914	2	16,073	—	—	4	8,843	6	24,916	40	11,716
1915	1	733	—	—	—	—	1	733	255	75,228
1916	4	15,672	3	6,098	—	—	7	21,770	9	3,600
1917	4	15,318	2	5,262	—	—	6	20,580	32	9,421
1918	18	47,320	—	—	1	2,383	19	49,703	55	16,085
1919	25	99,188	—	—	—	—	25	99,188	—	—
1920	14	57,855	1	640	1	3,600	16	62,095	—	—
1921	15	67,190	—	—	2	9,471	17	76,661	—	—
1922	2	9,417	—	—	—	—	2	9,417	—	—
1923	3	4,810	—	—	1	1,243	4	6,053	—	—
1924	2	15,397	—	—	1	600	3	15,997	—	—
1925	4	13,195	—	—	1	795	5	13,990	—	—
1926	6	16,947	—	—	3	3,378	9	20,325	—	—
1927	5	10,130	—	—	1	6,328	6	16,458	—	—
1928	5	3,233	—	—	2	14,028	7	17,261	—	—
1929	7	20,404	—	—	—	—	7	20,404	2	634
1930	7	11,664	—	—	1	841	8	12,505	—	—
1931	1	1,103	—	—	1	5,889	2	6,992	—	—
1932	1	1,231	—	—	—	—	1	1,231	1	157
1933	—	—	—	—	—	—	—	—	1	140
1934	—	—	—	—	1	531	1	531	—	—
1935	—	—	—	—	—	—	—	—	—	—
1936	—	—	—	—	—	—	—	—	—	—
1937	—	—	1	1,585	—	—	1	1,585	—	—
1938	—	—	1	1,512	3	2,308	4	3,820	2	886
1939	—	—	1	1,610	1	348	2	1,958	1	140
1940	—	—	1	2,238	—	—	1	2,238	14	12,387
1941	1	7,131	—	—	1	1,179	2	8,310	71	64,932
1942	84	602,045	—	—	—	—	84	602,045	50	44,490
1943	139	940,589	5	31,202	—	—	144	971,791	70	82,946
1944	109	704,825	13	69,559	—	—	122	774,384	97	120,808
1945	38	186,774	—	—	—	—	38	186,774	68	344,157
1946	26	34,769	1	1,500	4	15,759	31	52,028	1	2,390
1947	16	46,316	—	—	7	37,291	23	83,607	1	2,390
1948	41	115,566	3	8,839	4	7,958	48	132,363	1	2,390
1949	16	51,503	—	—	4	15,255	20	66,758	—	—
1950	10	20,754	1	2,153	5	16,552	16	39,459	—	—
1951	—	—	3	24,319	1	5,074	4	29,393	3	404
1952	6	55,730	2	25,275	—	—	8	81,005	4	1,565
1953	8	47,198	1	17,845	2	9,588	11	74,631	4	1,777
Total	620	3,240,080	39	199,637	52	169,242	711	3,608,959	782	798,643

MERCHANT AND NAVAL VESSELS DELIVERED IN PRINCIPAL SHIPBUILDING AREAS, 1914-1953

	Cargo		Tanker		Cargo Passenger		Naval	
	No.	G.T.	No.	G.T.	No.	G.T.	No.	Displ. T.
Pacific Coast.....	267	1,719,379	12	86,395	5	21,730	74	298,286
Great Lakes.....	89	315,080	17	76,967	4	10,545	131	136,725
St. Lawrence.....	224	1,083,055	9	34,775	38	124,036	566	350,282
Atlantic Coast.....	40	122,566	1	1,500	5	12,931	11	13,350
Total.....	620	3,240,080	39	199,637	52	169,242	782	798,643

Summary: 711 Merchant Ships—3,608,959 gross tons.
782 Naval Vessels — 798,643 displ. tons.

III. General

Coasting Trade of Canada

Preliminary estimates of the volume of freight traffic in the coasting trade indicate a decline in 1954 from the previous year, largely explained by a reduction of one-third in clearances of grain from the Canadian lakehead. At the eight seaports administered by the National Harbours Board a continuation of the upward trend in the tonnage of domestic cargo is reported.

Approximately $7\frac{1}{2}$ per cent of the total tonnage of cargo in the coasting trade in 1954 was carried in ships registered outside Canada, ships of United Kingdom registry having loaded about half a million tons more than in 1953. In the seaborne domestic movement of coal from Cape Breton Island, ships registered in the United Kingdom were used to carry 75 per cent of the tonnage.

Forty-four British Commonwealth ships registered outside Canada engaged in the coasting trade in 1954, compared with thirty-six in 1953. Fifteen were ships of over 5,000 gross register tons each, fifteen were between 2,000 and 5,000 tons, and fourteen were under 2,000 tons. Sixteen engaged in coasting liner services, twenty-two in bulk cargo operations, and six as itinerant traders.

The major commodities, and their portion of the total tonnage, carried in the coasting trade in 1953 were as follows:

<u>Cargo</u>	<u>Short Tons 000's</u>	<u>%</u>
1. Grain.....	12,934.3	37.4
2. Petroleum oils and products.....	5,716.4	16.5
3. Pulpwood.....	2,766.1	8.0
4. Coal and coke.....	2,240.4	6.5
5. Logs and piling.....	1,553.9	4.5
6. Sand, gravel and stone.....	1,247.5	3.6
7. Iron ore.....	1,125.2	3.3
8. Cement.....	649.9	1.9
9. Hogged fuel.....	615.0	1.8
10. Limestone.....	414.4	1.2
11. Non-ferrous metallic ores.....	365.3	1.1
12. Newsprint and paper.....	249.9	0.7
13. Gypsum.....	233.2	0.7
14. Lumber and timber.....	185.1	0.5
15. All other cargo.....	4,248.3	12.3
	<u>34,544.9</u>	<u>100.0</u>

Direct Trade between the Great Lakes and Overseas

There were eleven steamship lines operating regular ocean services to and from the Great Lakes in 1954. Including liners and tramps, ninety-nine ships, none of which was under Canadian or

United States registry, made 275 trips from overseas ports to the Great Lakes. The registries of the vessels were as shown hereunder:

<i>Registry</i>	<i>Number of Ships</i>	<i>Number of Trips</i>
German.....	39	101
Norwegian.....	33	86
Swedish.....	12	35
Dutch.....	9	32
British.....	4	14
French.....	2	7
	99	275

It appears at present that at least seventeen lines will operate regular ocean services to and from the Great Lakes in 1955. Many of these lines may be considered to be exploring and establishing themselves in the trade prior to the opening of the St. Lawrence Seaway.

Records

The Commission has kept records of freight market fixtures and indices, of the movements and employment of Canadian-owned ships, of liner-berth services from Canada, and of other matters of continuing interest. These records provide statistical data for various studies.

Table IX which follows shows the shipping services maintained from Canada during 1954.

TABLE IX
LINER SERVICES FROM CANADA, 1954

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to the United Kingdom and Eire.....	10 British 2 Canadian* 1 Dutch 1 Greek	1 Irish 1 Italian 1 Norwegian 1 Panamanian	38
St. Lawrence and Atlantic Ports to North and Northwest Europe.....	2 British 2 Canadian 2 Dutch 1 French 2 German	1 Greek 1 Italian 3 Norwegian 1 Panamanian 2 Swedish	21
Great Lakes Ports to the United Kingdom..	1 British 1 Canadian*	1 Norwegian 1 Swedish	7
Great Lakes Ports to North and Northwest Europe.....	1 Dutch 1 German	1 Norwegian 2 Swedish	19
Pacific Coast Ports to the United Kingdom and North and Northwest Europe.....	3 British 1 British/Dutch 1 Canadian* 1 Danish 1 French	1 German 2 Japanese 2 Norwegian 1 Swedish	17
St. Lawrence and Atlantic Ports to the Mediterranean.....	1 British/German/Egyptian 1 Canadian* 1 Israeli	1 Italian	4

TABLE IX—*Concluded*LINER SERVICES FROM CANADA, 1954—*Concluded*

Service	Number and Nationality of Lines	Average Sailings per Month
Great Lakes and St. Lawrence Ports to the Mediterranean.....	1 British 1 French	5
Pacific Coast Ports to the Mediterranean...	1 Italian	1
St. Lawrence and Atlantic Ports to the Caribbean.....	1 American 1 Swedish 3 Canadian* 1 Venezuelan 1 Colombian/Ecuadorean 1 German	19
Great Lakes Ports to the Caribbean.....	1 American 1 German	2
Pacific Coast Ports to the Caribbean.....	1 American 1 Panamanian 2 Canadian* 1 Japanese	4
St. Lawrence and Atlantic Ports to West, South and East Africa.....	1 British 1 Norwegian	2
Pacific Coast Ports to South and East Africa.....	1 Dutch/Norwegian 1 Japanese	2
St. Lawrence and Atlantic Ports to India and Persian Gulf.....	1 British	1
Pacific Coast Ports to India and Persian Gulf.....	1 Dutch/Norwegian	2
St. Lawrence and Atlantic Ports to the East Coast of South America.....	2 American 1 Argentine	4
Pacific Coast Ports to the West Coast of South America.....	1 American 1 Japanese 1 Chilean 1 Norwegian** **(and via Straits of Magellan to the East Coast of South America)	5
Pacific Coast Ports to the East Coast of South America.....	2 American	2
St. Lawrence and Atlantic Ports to Aus- tralia and New Zealand.....	1 British	2
Pacific Coast Ports to Australia and New Zealand.....	1 American 1 New Zealand 1 Australian 1 Swedish 1 British	3
St. Lawrence and Atlantic Ports to the Far East.....	2 British 1 Dutch 1 Danish 1 French	5
Pacific Coast Ports to the Far East.....	3 American 1 Japanese 1 British 2 Norwegian 1 Danish 1 Norwegian/ Swedish	12
Pacific Coast Ports to the Hawaiian Islands.	1 American	2
Pacific Coast Ports to South Sea Islands...	1 Norwegian	Every 4 months
Pacific Coast Ports to California.....	1 Norwegian	2
Round the World from Atlantic Ports....	1 American	1 eastbound 1 westbound

* Most Canadian lines chartered non-Canadian ships to furnish or to augment the cargo liner service.

Table X below shows particulars of the participation of Canadian and other shipping in Canada's overseas trade in each of the years 1947 to 1953.

TABLE X

CANADIAN-FLAG PARTICIPATION IN THE CARRIAGE OF CANADA'S OVERSEAS TRADE

DRY CARGO ONLY

(Trade with or via the United States of America excluded)

	1947	1948	1949	1950	1951	1952	1953
Total Dry Cargo Exports and Imports, tons of 2,000 pounds '000's omitted.....	16,327	15,168	17,046	15,342	21,570	25,814	24,837
Percentage carried—							
—in Canadian-flag ships.....	20.2	17.9	13.6	9.9	7.9	6.4	4.3
—in United Kingdom ships...	45.2	46.3	43.1	48.8	40.6	35.4	34.0
—in ships of other flags.....	34.6	35.8	43.3	41.3	51.5	58.2	61.7
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Steamship Subventions

In accordance with the terms of the Canadian Maritime Commission Act, the Commission continued to administer steamship subventions voted by Parliament.

During the fiscal year 1954-55 subventions were administered for coastal and inland waters only.

Coastal services aided by subvention comprised one service on the Pacific Coast, two on the Great Lakes and twenty-five on the River and Gulf of St. Lawrence and the East Coast, and, in addition, ten different routes covering the Coast of Newfoundland and Labrador Coast served by vessels operated by the Canadian National Railways. All services were surveyed and vessels inspected.

Subsidy for one East Coast service was discontinued as no longer essential but subsidy for one new service was added.

Five applications for increase in subsidy payments were received during the year. The Commission recommended increases in three instances and declined two. Subsidy was reduced in one instance.

Eight applications were received for subsidy assistance for new services; of these, two were recommended; one was effected by extending an existing service.

At the conclusion of the fiscal year the Commission recommended that two services be amalgamated, thereby reducing the amount of subsidy required and improving the facilities for that part of the service where traffic was increasing.

The subsidies paid during the year amounted to \$4,064,939 representing an increase of \$4,791. Table XI shows provincial and interprovincial distribution of subsidy payments

TABLE XI
SUBSIDIZED STEAMSHIP SERVICES

<i>Interprovincial Services</i>	
Between Quebec, Prince Edward Island and Nova Scotia...	\$ 120,000
Between Nova Scotia and Prince Edward Island.....	158,000
Between Nova Scotia and New Brunswick.....	33,000
Between New Brunswick and Quebec.....	79,000
<i>Provincial Services</i>	
British Columbia.....	325,000
New Brunswick.....	101,600
Nova Scotia.....	284,000
Ontario.....	116,511
Quebec.....	891,566
Newfoundland.....	1,956,262
Total.....	<u>\$4,064,939</u>

NOTE:—The above total is the net amount after recapture of subsidy as follows:—

Prescott and Ogdensburg.....	15,000
Owen Sound and Manitoulin Island.....	18,489
Total Refund 1954-55.....	<u>\$ 33,489</u>

Park Steamship Company Limited

The functions of this Company have continued to be carried out by the staff of the Commission whose three members are its sole directors.

During the year under review the last outstanding waiver certificate was received under the Knock for Knock Agreement between the Governments of Canada and the United States; also during this period the Company's last remaining hull claim was adjusted.

Minor claims resulting from previous operations will undoubtedly be received from time to time; while these will mainly be recoverable from insurance underwriters it will be necessary to finance the settlements and absorb the collection costs.

The Company continues to be charged with five Stores Issuing ships which, by agreement, may be retained by the United Kingdom as long as they are required by the British Admiralty. No revenue accrues to the Company from these vessels which were originally lent to the United Kingdom Ministry of Transport under mutual aid.

The Company does not employ any salaried officers or staff and its functions continue to be carried out by the staff of the Canadian Maritime Commission.

Canadian Vessel Construction Assistance Act

During the fiscal year ended March 31, 1955, sixty-eight capital cost expenditures in the amount of \$21,769,785.26 have been determined by the Commission under Section 3 of the Act.

Table XII below listing the number and value of capital cost determinations since 1950 shows that the number of determinations in 1954 was seventeen less than in 1953, which represents a \$2,298,745.03 drop in valuation. This decrease in the total, in spite of an increase of \$839,868.28 in the value of determinations for conversions or major alterations, shows that the decrease in the determinations of new construction which was first indicated in 1953 has further decreased in 1954. It must be recognized that this table is concerned only with applications voluntarily made by Canadian owners of Canadian registered ships for the benefits of the Act. The table cannot therefore be taken as a measure of the actual shipbuilding or conversion work which takes place in Canadian shipyards.

TABLE XII
CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT
Capital Cost Determinations in each Fiscal Year since 1950

Year	New Construction		Conversions or Major Alterations	
	Number of Determinations made	Dollar Value of Determinations	Number of Determinations made	Dollar Value of Determinations
		\$ cts.		\$ cts.
1950.....	4	3,348,310 96	17	1,468,496 33
1951.....	23	10,566,731 57	16	1,113,820 56
1952.....	36	28,109,011 75	21	4,387,848 89
1953.....	68	20,855,143 04	17	3,213,387 25
1954.....	49	17,716,529 73	19	4,053,255 33

North Atlantic Treaty Organization

There has been no meeting of the Planning Board for Ocean Shipping during the period under report, but the sixth meeting of the Board is scheduled to take place in Washington during the first week of May, 1955. The Commission, as the agency for co-ordinating NATO shipping plans in Canada, has kept in touch with the co-chairman of the Board and a number of matters have been dealt with during the year, including the work of two committees on which Canada is represented by members of the Commission's staff.

Inter-Governmental Maritime Consultative Organization (I.M.C.O.)

The ratification of the Convention signed at Geneva in 1948 has proceeded slowly; now only four more countries are required to deposit their ratifications before the Convention comes into force. It is expected that these may be received during 1955. The Chairman of the Commission, being also Chairman of the Preparatory Committee, will be called upon to arrange the first assembly of the Organization within three months from the date on which the Convention comes into force.

Degaussing and Stiffening of Canadian Merchant Ships

The Commission has continued its work as co-ordinating agency for implementing the Government's policy of stiffening and degaussing Canadian merchant ships.

During the year under report, seven ships were taken in hand for fitting degaussing and work on fifteen others was completed.

Military Movements

The Commission has continued to act as co-ordinating agency for overseas shipping movements of armed services personnel and military cargo.

These movements, during the year, have been primarily the transportation of troops to and from Europe and of their dependents to Western Europe, and of the supplies required to maintain Canadian forces in that area.

In addition the Commission supervises the allocation of mutual aid cargo for shipment to allied countries. The four Canadian-flag ships which were under charter to the Department of National Defence on April 1, 1954, for Korean operations, completed their charters and no other charters were arranged for these operations.

The Coasting Laws of Canada

The Commission has continued to advise the Department of National Revenue upon applications for the suspension of the Canadian coasting laws to permit the temporary operation of foreign-flag or foreign-built ships in the Canadian coasting trade. Before suggesting that approval be given to any individual application every effort is made to ascertain that no eligible ship suitable for the service required is available.

Importation of Ships to Canadian Registry

The Commission provides the Chairman of a special committee set up to advise the Minister of Transport on the administration of Section 22 of the Canada Shipping Act relating to the registration of ships built outside of Canada.

The Staff of the Commission on March 31, 1955, numbered twenty-three whose annual salaries, together with salaries paid to members of the Commission, amounted to \$126,106.69.

Dated at Ottawa the 27th day of June, 1955.

L. C. AUDETTE,
Chairman.

ANGUS MCGUGAN,
Commissioner.

C. W. WEST,
Commissioner.

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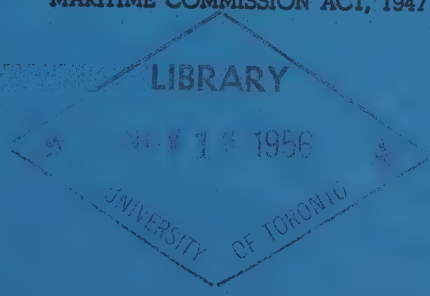
Canada Maritime Commission
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Publications

NINTH REPORT
OF THE
CANADIAN
MARITIME COMMISSION

1955/56

SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

PRICE 15 CENTS



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NINTH REPORT

OF THE

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SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955

The Honourable GEORGE C. MARLER, P.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act 1947, I have the honour to submit herewith the ninth report of the Canadian Maritime Commission, covering the period between April 1, 1955 and March 31, 1956.

I have the honour to be Sir,

Your obedient servant,

L. C. AUDETTE,
Chairman.

Ottawa,
June 28, 1956.

TABLE I
CANADIAN MERCHANT FLEET
(Ships of 1,000 Gross Tons and Over)

	<i>March 31, 1955</i>		<i>March 31, 1956</i>	
	<i>No.</i>	<i>Gross Tons</i>	<i>No.</i>	<i>Gross Tons</i>
<i>Ocean-going Ships in Foreign Trade</i>				
War-built cargo ships				
10,000 tonners.....	5	35,872	5	35,872
4,700 tonners.....	7	20,511	6	17,650
Passenger ships.....	—	—	—	—
Diesel cargo ships.....	3	20,236	3	20,236
Other cargo ships.....	3	13,327	3	13,327
	18	89,946	17	87,085
Tankers.....	9	114,134	8	96,251
	27	204,080	25	183,336
<i>Ships in Coasting Trade</i>				
War-built cargo ships				
10,000 tonners.....	—	—	—	—
4,700 tonners.....	1	2,875	—	—
Other passenger and dry cargo ships.....	49	133,402	57	174,434
	50	136,277	57	174,434
Tankers.....	11	25,359	8	19,690
	61	161,636	65	194,124
<i>Lakes and St. Lawrence Canallers</i>				
Dry-cargo ships.....	147	288,174	152	299,932
Tankers.....	34	65,330	37	71,969
	181	353,504	189	371,901
<i>Upper Lakers</i>				
Dry-cargo and passenger ships.....	75	489,485	74	480,554
Tankers.....	1	12,638	2	25,233
	76	502,123	76	505,787

SUMMARY

Dry-cargo and passenger ships.....	290	1,003,882	300	1,042,005
Tankers.....	55	217,461	55	213,143
	345	1,221,343	355	1,255,148

SHIPS UNDER UNITED KINGDOM REGISTRY

Retained under U.K. Registry.....	53	378,114	51	363,806
Transferred to U.K. Registry.....	45	309,450	43	308,982
Supply ships, on loan.....	5	36,403	5	36,383
	103	723,967	99	709,171

NINTH ANNUAL REPORT

I. Shipping

This report covers the period from April 1, 1955 to March 31, 1956.

It will be noted from Table I on the opposite page that the composition of the Canadian fleet remained relatively stable during the twelve months under review.

Of the ocean-going ships on Canadian registry, one 4,700-ton deadweight ship and one large tanker were sold abroad; the former was disposed of under the Replacement Plan.

The number of Canadian-owned ships on United Kingdom registry was depleted by five; four were sold abroad under the terms of the Replacement Plan and one was wrecked and declared a total loss. A new ore carrier, built in the United Kingdom, was transferred to United Kingdom registry after being on Canadian registry for a token period of one day.

Of ships capable of ocean voyages but normally employed in the coasting trade, one 4,700-ton deadweight ship and one small tanker were sold to foreign buyers.

Four passenger vessels, seven cargo ships and one small tanker were added to the Canadian coastwise fleet: the WILLIAM CARSON for service between Cape Breton Island and Newfoundland, the BLUENOSE, for the Yarmouth-Bar Harbour service, PRINCESS OF VANCOUVER and CHINOOK II for the Vancouver-Nanaimo shuttle, the FORT HENRY, Great Lakes package freighter, the CLIFFORD J. ROGERS, for an ore and container-cargo service between Vancouver and Skagway, Alaska, the tanker SEA TRANSPORTER, for service between Montreal and the Canadian Atlantic coast, and five canal-type cargo vessels, for operation in the Great Lakes and St. Lawrence River.

In addition, the east coast ferries ABEGWEIT and PRINCE EDWARD ISLAND and the west coast ferry CANORA have been included in the Table for the first time. The remaining changes result from adjustments in areas of employment and small tonnage changes.

Table II which follows shows the distribution by tonnage groups and countries of construction of the Canadian Merchant Fleet.

TABLE II
CANADIAN MERCHANT FLEET
as at March 31, 1956

DISTRIBUTION BY TONNAGE GROUPS ACCORDING TO COUNTRY OF ORIGINAL CONSTRUCTION
(Self-propelled ships of 200 Gross Tons and over, excluding non-commercial vessels, tugs, ferries and the fishing fleet)

Country of Build	200-499 G.T.		500-999 G.T.		1,000-1,999 G.T.		2,000-4,999 G.T.		5,000-9,999 G.T.		10,000 G.T. and over		Totals across	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons
Canada.....	49	15,940	11	6,618	38	62,465	47	118,613	28	203,415	18	239,213	191	646,264
United Kingdom.....	6	2,440	13	10,260	93	166,504	44	111,892	7	40,702	—	—	163	331,798
United States of America	9	2,996	14	9,753	19	30,240	40	158,323	10	59,534	6	71,202	98	332,048
Other Foreign Countries	2	691	2	1,534	5	6,635	2	5,664	—	—	—	—	11	14,524
Totals down.....	66	22,067	40	28,165	155	265,844	133	394,492	45	303,651	24	310,415	463	1,324,634

It appears that the size of the ocean-going fleet has now become stabilized and consists principally of the Canadian National Steamship fleet and other ships employed on purely Canadian trades. Nearly all other Canadian-owned deep-sea ships have been transferred to United Kingdom registry under the terms of the Transfer Plan.

The future of the coasting and lake fleets will likely be influenced by the report of the Royal Commission on Coasting Trade and the development of the Seaway. There are, however, already indications that more ships classified as suitable for deep-sea voyages will be built primarily for employment in the coastal and lake trades.

The freight market remained strong during the period under review. The sustained European demand for American coal was again the predominating feature utilizing, according to a survey by a statistical service, sixteen per cent of the world's tramp tonnage during the first half of 1955. Grain and ore chartering was somewhat sporadic but on the whole gave the needed support to maintain a buoyant level of freights.

There was also a general upward swing of rates in the cargo liner trades and in the strong freight situation prevailing these upward pressures have not diminished. Most of the conference lines in the Canadian trades increased their rates by about 15% in the spring of 1955 and there are strong indications of further prospective increases.

Under the stimulus of high freights prices for ex "Park" and "Liberty" ships rose from about \$700,000 to the million dollar mark during the year. Ships of these types are now, however, between eleven and fourteen years old and some are approaching their fourth special survey; their value may therefore not remain stable at this level if any unfavourable turn in the freight market is experienced.

Labour conditions on the Canadian shipping scene were disturbed by a strike for higher wages by the Seafarers International Union against Union Steamships Limited of Vancouver early in July, causing a cessation of the Company's coastwise operations for a period of two months and threatening to spread to other west coast shipping services. In October the Seafarers International Union struck against the Canadian Pacific Railway's Bay of Fundy service seeking parity of wages with those prevailing on the British Columbia coast. Service was resumed after an eleven weeks interruption.

A noteworthy event was the completion of ore transfer facilities at Contrecoeur, Quebec, to allow deep draught ore carriers to discharge iron ore from Seven Islands.

Table III which follows shows the Flag participation in the carriage of Canada's overseas trade.

Replacement Plan

The replacement plan continued in operation during the year although on a reduced scale. The five ships sold subject to its provisions resulted in a net increase in escrow funds of \$2,793,192.42.

During the period funds amounting to \$2,732,768.63 were used for the building of one deep-sea vessel in Collingwood, Ontario, the acquisition of one vessel in Germany, and towards the acquisition of one motorship in the United Kingdom.

Since the commencement of the plan in 1948 the sale of ships has resulted in placing in escrow a total of \$60,025,402.72 of which \$20,252,000.00 has been used for the building of two large tankers and two dry cargo vessels in Canada, the acquisition of six dry cargo ships and the modernization and conversion of 18 existing freight vessels. In addition funds totalling \$29,111,000.00 have been used to contribute to the building or improvement of lake and coastal vessels.

On March 31st, 1956 a total sum of \$10,656,000.00 was held under this plan.

II- Shipbuilding and Ship-Repairing

Shipbuilding

During 1955 the Canadian shipbuilding industry delivered 81 vessels, particulars of which are given in Table IV. Thirty-four of these ships were for private domestic account, thirty-nine for departments of the Federal Government, and three for Provincial Governments. The remaining five were ships for the Royal Canadian Navy. Among the vessels delivered for private domestic account was the M.V. CLIFFORD J. ROGERS for service between Vancouver and the Yukon Territory. This service will introduce to west coast ports the so-called pick-a-back or unitized system of freight transportation, a method involving the use of steel containers which can be quickly loaded and discharged from the vessel. Two large passenger ferries were also delivered for service respectively between Sydney and Port aux Basques and Yarmouth and Bar Harbour, Maine. The most important ship to be delivered in 1955 was undoubtedly the Royal Canadian Navy's new destroyer escort vessel, H.M.C.S. ST. LAURENT, the prototype and first to be completed of fourteen similar vessels scheduled for construction under the naval shipbuilding programme. Vessels built in the four principal shipbuilding areas aggregated 44,287 gross tons, having an approximate total value of \$46,266,750.

Of the thirty-four vessels delivered for private domestic account Pacific Coast shipyards built nineteen, all of which were non-propelled scows or barges ranging in size from 97 to 1,069 gross tons and totalling 9,158 gross tons. Shipyards on the Great Lakes accounted for six vessels, three of which were canal-size freighters, one a bulk freighter for the Upper Lakes, one a tug, and one an auto-passenger ferry, totalling in all 12,949 gross tons. The St. Lawrence shipyards delivered seven vessels, comprising one cargo vessel, two dredges and four scows or barges, totalling 4,748 gross tons. One suction dredge and one fishing vessel having a combined tonnage of 149 gross tons were delivered by Atlantic Coast yards.

Twenty-four of the thirty-nine vessels built for departments of the Federal Government consisted of small landing-barges and were not registered, being of less than 10 gross tons each. The remaining fifteen vessels totalled 16,131 gross tons. One of these was a dredge of 836 gross tons built in a Pacific Coast shipyard, one a barge 102 gross tons built on the Great Lakes; eight more vessels totalling 15,138 gross tons were built on the St. Lawrence and the remaining

TABLE IV
PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1955

Name of Owner	Name of Vessel	Length (b.p.) Beam and Depth	Power Plant	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Dept. of Public Works.....	<i>P.W.D. No. 322</i>	150-1 40-1 9-2	Non-prop.....	.....	836	Yarrows Limited.....	Steel Suction Dredge
Black Ball Towing Co. Ltd.....	<i>B.B. Co. No. 7</i>	130-0 43-1 10-0	Non-prop.....	.....	503	Yarrows Limited.....	Steel Scow
Black Ball Towing Co. Limited.....	<i>B.B. Co. No. 8</i>	130-0 43-1 10-0	Non-prop.....	.....	502	Yarrows Limited.....	Steel Scow
S. S. McKeen.....	<i>Straits No. 25</i>	130-0 43-1 10-0	Non-prop.....	.....	502	Yarrows Limited.....	Steel Barge
F. B. Brown and R. C. Cliff.....	<i>Straits No. 28</i>	130-0 43-1 10-0	Non-prop.....	.....	504	Yarrows Limited.....	Steel Barge
Champion & White Ltd.....	<i>Gilley No. 37</i>	114-0 36-1 9-6	Non-prop.....	.....	349	Yarrows Limited.....	Steel Barge
Gilley Bros. Ltd.....	<i>Gilley No. 38</i>	110-1 34-1 10-1	Non-prop.....	.....	320	Yarrows Limited.....	Steel Barge
Island Tug & Barge Ltd.....	<i>Island Tug 41</i>	140-1 43-1 10-0	Non-prop.....	.....	542	Yarrows Limited.....	Steel Barge
Vancouver Tug Boat Co.....	<i>V.T. No. 52</i>	150-0 43-1 10-0	Non-prop.....	.....	582	Yarrows Limited.....	Steel Barge

TABLE IV—Continued

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1955—Continued

Name of Owner	Name of Vessel	Length (b.p.) Beam and Depth	Power Plant	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Gulf of Georgia Towing Co. Ltd.,...	<i>S. & R. No. 8</i> ,	130-1 43-1 10-0	Non-prop., .....	.....	503	Yarrows Limited,	Steel Scow
Vancouver Freighting Co. Ltd.,	<i>V. T. No. 53</i> ,	150-0 43-1 10-0	Non-prop., .....	.....	582	Yarrows Limited,	Steel Scow
B.C. Dept. of Public Works,	<i>B.P. 152</i> ,	150-0 61-0 7-0	Non-prop., .....	.....	848	Victoria Machinery Depot Co. Ltd., ..	Floating Dry Dock
B.C. Dept. of Highways,	<i>Not Registered</i> ,	75-0 38-0	30 h.p.,	5 knots, ..	120	Victoria Machinery Depot Co. Ltd., ..	Steel Auto Ferry
F.M. Yorke & Sons Ltd.,	<i>Yorke No. 10</i> ,	4-5 94-0 34-1 9-2	Cable Tractor Non-prop., .....	.....	257	Victoria Machinery Depot Co. Ltd., ..	Steel Barge
Island Tug & Barge Ltd.,	<i>Island Tug 46</i> ,	130-0 43-1 10-0	Non-prop., .....	.....	504	Victoria Machinery Depot Co. Ltd., ..	Steel Scow
Island Tug & Barge Ltd.,	<i>Island Tug 47</i> ,	130-0 43-1 10-0	Non-prop., .....	.....	503	Victoria Machinery Depot Co. Ltd., ..	Steel Scow
Island Tug & Barge Ltd.,	<i>Island Tug 48</i> ,	138-0 43-1 10-0	Non-prop., .....	.....	532	Victoria Machinery Depot Co. Ltd., ..	Steel Scow
Island Tug & Barge Ltd.,	<i>Island Tug 49</i> ,	138-0 43-1 10-0	Non-prop., .....	.....	533	Victoria Machinery Depot Co. Ltd., ..	Steel Scow

B.C. Packers Ltd.....	<i>Claverleaf Barge</i>	138-0 43-0 10-0	Non-prop.....	1,069	Victoria Machinery Depot Co. Ltd....	Steel Barge
Columbia Cellulose Co. Ltd.....	<i>Skeena No. 1</i>	90-0 28-0 4-4	Non-prop.....	97	Burrard Dry Dock Co. Ltd.....	Steel Barge
F. S. McKeen & G. B. McKeen.....	<i>Straits No. 26</i>	140-0 44-1 10-1	Non-prop.....	564	Burrard Dry Dock Co. Ltd.....	Steel Barge
Vancouver Pile Driving & Contracting Co. Ltd.....	<i>V.P.D. Derrick No. 1</i>	90-0 34-0 7-5	Non-prop.....	210	Burrard Dry Dock Co. Ltd.....	Steel Scow
Canada Steamship Lines Ltd.....	<i>Fort Henry</i>	445-4 56-2 28-0	4,500 s.h.p..... S/S Steam Turbine	5,729	The Collingwood Shipyards Ltd....	Package Freighter
Canada Steamship Lines Ltd.....	<i>Iroquois</i>	253-1 44-0 20-7	1,280 b.h.p..... T/S Diesel	2,300	The Collingwood Shipyards Ltd.....	Canal-size Freighter
International Transit Co. Ltd.....	<i>John A. McPhail</i>	104-6 36-1 8-5	360 b.h.p..... T/S Diesel	214	The Collingwood Shipyards Ltd.....	Auto-pass. Ferry
St. Lawrence Seaway Authority.....	<i>S. L.S. 81</i>	65-0 40-0 5-0	Non-prop.....	102	Kingston Shipyards Ltd.....	Steel Scow
Ontario Dept. of Highways.....	<i>Amherst Island</i>	100-5 38-0 8-3	250 b.h.p..... S/S Diesel	184	Kingston Shipyards Ltd.....	Auto-pass. Ferry
Dept. of Transport.....	<i>Landing Barges Nos. 11 and 12</i> Not Registered	30-0 10-0 3-5	75 h.p..... Gasoline.....	Not Measured	Kingston Shipyards Ltd.....	Landing Barges
Royal Canadian Navy.....	<i>YLV 600</i>	110-0 33-0 6-0	Non-prop.....		Kingston Shipyards Ltd.....	Steel Scow
Royal Canadian Navy.....	<i>YLV 601</i>	110-0 33-0 6-0	Non-prop.....		Kingston Shipyards Ltd.....	Steel Scow

TABLE IV—Continued

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1955—Continued

Name of Owner	Name of Vessel	Length (b.p.) Beam and Depth	Power Plant	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Royal Canadian Navy.....	<i>Prototype</i> <i>No name or No.</i>	27.0 8.4 4.0	85 b.h.p. T/S Diesel	.....	.....	Kingston Shipyards Ltd.....	Landing Barge
Beaconsfield Steamships Ltd.....	<i>Griffon</i>	253.3 43.6 20.2	1,880 b.h.p. S/S Diesel	12 m.p.h.	2,292	Port Weller Dry Docks Ltd.....	Canal-size Freighter
J. P. Porter & Sons Ltd.....	<i>A. F. Fifield</i>.....	.....	900 b.h.p. Diesel	.....	118	Port Weller Dry Docks Ltd.....	Tug
Beaconsfield Steamships Ltd.....	<i>Golden Hind</i> (Major Conversion)	601.6 68.2 31.0	4,500 s.h.p. S/S Steam Turbine	13 knots	12,304	E. B. Magee Ltd.....	Bulk Freighter
Beaconsfield Steamships Ltd.....	<i>Belvoir</i>	253.3 43.6 20.2	1,880 b.h.p. S/S Diesel	10 m.p.h.	2,296	E. B. Magee Ltd.....	Canal-size Freighter
Canadian National Railways.....	<i>William Carson</i>	335.6 68.1 20.0	12,000 b.h.p. T/S Diesel	16½ knots	8,273	Canadian Vickers Ltd.....	Auto-pass Ferry
St. Lawrence Dredging Co. Ltd.....	<i>Mimi</i>	97.0 40.1 7.6	240 b.h.p. T/S Diesel	4 knots	281	Canadian Vickers Ltd.....	Suction Dredge
British Yukon Ocean Services Ltd. . .	<i>Clifford J. Rogers</i>	322.5 47.1 22.6	1,910 b.h.p. S/S Diesel	12 knots	3,000	Canadian Vickers Ltd.....	Cargo Vessel
Royal Canadian Navy.....	<i>H.M.C.S. St. Laurent</i>.....	.....	T/S Turbine	.....	.....	Canadian Vickers Ltd.....	A/S Escort Vessel
Marine Industries Ltd.....	<i>De Rome</i>	190.8 40.5 13.3	Non-prop.....	.....	846	Marine Industries Ltd.....	Dredge

Marine Industries Ltd.....	M.I.L. 235.....	112.0 33.1 10.0	Non-prop.....	289	Marine Industries Ltd.....	Hopper Barge
Marine Industries Ltd.....	M.I.L. 236.....	112.1 33.1 10.0	Non-prop.....	288	Marine Industries Ltd.....	Hopper Barge
Marine Industries Ltd.....	C. 218.....	30.0 15.0 2.7	Non-prop.....	10	Marine Industries Ltd.,	Float
Marine Industries Ltd.....	C.219.....	30.3 20.2 6.2	Non-prop.....	34	Marine Industries Ltd.....	Scow
Dept. of Public Works.....	P.W.D. No. 23.....	86.0 27.0 5.4	Non-prop.....	172	Geo. T. Davie & Sons Ltd.....	Clamshell Dredge
Dept. of Public Works.....	P.W.D. No. 24.....	86.0 27.0 5.4	Non-prop.....	172	Geo. T. Davie & Sons Ltd.....	Clamshell Dredge
Dept. of Public Works.....	P.W.D. No. 187.....	46.1 20.1 6.9	Non-prop.....	48	Geo. T. Davie & Sons Ltd.....	Scow
Dept. of Public Works.....	P.W.D. No. 188.....	46.1 20.1 6.0	Non-prop.....	48	Geo. T. Davie & Sons Ltd.....	Scow
Dept. of Public Works.....	P.W.D. No. 189.....	46.1 20.1 6.9	Non-prop.....	48	Geo. T. Davie & Sons Ltd.....	Scow
Dept. of Public Works.....	P.W.D. No. 190.....	46.1 20.1 6.9	Non-Prop.....	48	Geo. T. Davie & Sons Ltd.....	Scow
Dept. of Transport.....	Bluenose.....	329.1 65.0 34.3	12,000 h.p..... 18 knots. T/S Diesel	6,419	Davie Shipbuilding Ltd.....	Auto-pass. Ferry
Dept. of Transport.....	Landing Barges Nos. 21 and 22	50.0 14.0 5.9	400 h.p..... T/S Diesel	Not Measured	Davie Shipbuilding Ltd.....	Landing Barges
Dept. of Transport.....	8 Self-propelled Scows Not Registered	30.0 10.0 3.5	75 h.p..... S/S Gasoline	Not Measured	Davie Shipbuilding Ltd.....	Self-propelled Scow

TABLE IV—*Concluded*

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1955—*Concluded*

Name of Owner	Name of Vessel	Length (b.p.) Beam and Depth	Power Plant	Estimated Speed	Gross Tons	Name of Shipyard	Type of Vessel
Dept. of Transport.	6 Barges, Nos. 35-40. <i>Not Registered</i>	32.0 18.0 5.3	Non-prop.		Not Measured	Davie Shipbuilding Ltd.	Barges
Dept. of Public Works	<i>Caraguet.</i>	37.4 10.6 3.7	120 h.p. Diesel	9 knots	11	Ferguson Industries Ltd.	Tug
Dept. of Public Works	<i>Tracadie.</i>	37.4 10.6 3.7	120 h.p. Diesel	9 knots	11	Ferguson Industries Ltd.	Tug
Dept. of Public Works	<i>Morell.</i>	37.4 10.6 3.7	150 h.p.	9 knots	11	Ferguson Industries Ltd.	Tug
Dept. of Public Works	<i>Laniel.</i>	37.4 10.6 3.7	120 h.p. Diesel	9 knots	11	Ferguson Industries Ltd.	Tug
Dept. of Transport.	<i>Tug No. 41.</i>	37.4 10.6 3.7	120 h.p. Diesel	9 knots	11	Ferguson Industries Ltd.	Tug
Dept. of Transport.	6 Landing Barges. <i>Not Registered</i>	30.0 10.0 3.6	75 h.p. Gasoline		Not Measured	Ferguson Industries Ltd.	Landing Barges
L. E. Wellner, Jr.	<i>Barbara W.</i>	44.0 18.0 3.7	60 h.p. T/S Diesel	2 knots	28	Ferguson Industries Ltd.	Suction Dredge
Barbara Jo. Ltd.	<i>Barbara Jo.</i>	84.0 21.7 10.7	435 b.h.p. S/S Diesel	8 knots	121	Lunenburg Foundry & Engineering Ltd.	Fishing Vessel

five of 55 gross tons were delivered by Atlantic Coast shipyards. The three vessels built for Provincial Governments comprised a floating dry dock and steel auto ferry having a combined tonnage of 968 gross tons built on the Pacific Coast and an auto-passenger ferry of 184 gross tons built in the Great Lakes area.

Of the five vessels delivered to the Royal Canadian Navy, one was the destroyer escort vessel already mentioned, one a loop layer, both of which were built on the St. Lawrence; the remaining three vessels consisted of two steel scows and a small barge built by one of the Great Lakes shipyards.

Compared with 1954 there was a falling-off of 60 per cent in the gross tonnage and of 50 per cent in the dollar value of ships delivered. But it should be remembered that the value of tonnage delivered in any one year is seldom a true measure of the value of the work done in that year, since the construction of merchant ships usually extends over a two-year period and naval vessels rarely take less than several years to complete.

Ship-repairing

In the ship-repairing branch of the industry 1,955 merchant ships were repaired. The Pacific Coast had 443 vessels, aggregating 1,767,409 gross tons, the Great Lakes 190 vessels, 433,873 gross tons, St. Lawrence area 577 vessels, 1,506,948 gross tons, and the Atlantic Coast 745 vessels, 2,091,300 gross tons, a grand total of 5,799,530 gross tons, with 17 yards reporting. One hundred naval vessels were refitted, repaired, or drydocked during the year. The total value of merchant and naval repair work completed in 1955 amounted to \$27,039,805. Compared with 1954 this constitutes a decrease of \$11,104,723 or 29 per cent.

	<i>Naval</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	12	443	\$ 8,138,654
Great Lakes.....	12	190	2,895,745
St. Lawrence.....	10	577	7,898,312
Atlantic Coast.....	66	745	8,107,094
	<u>100</u>	<u>1,955</u>	<u>\$27,039,805</u>

Employment

The average monthly employment in the industry (17 yards reporting) was 12,432, a decrease of nearly 20% compared with 1954. There was, however, very little fluctuation in the level of employment from month to month and the figures at the end of the year were slightly higher than at the beginning. It is gratifying to note that

For the purpose of comparison the value of ships delivered and of repairs and conversions carried out in Canadian Shipyards from 1948 to 1955 is given in Table V which follows:

TABLE V
VALUE OF SHIPS DELIVERED AND OF REPAIRS AND CONVERSIONS CARRIED OUT IN CANADIAN SHIPYARDS, 1948-1955.

Shipbuilding Area	1948	1949	1950	1951	1952	1953	1954	1955
	\$	\$	\$	\$	\$	\$	\$	\$
PACIFIC COAST								
Shipbuilding.....	21,127,252	5,114,021	1,502,800	601,001	3,021,670	287,835	14,020,684	2,470,000
Repairs and Conversions.....	7,983,945	5,520,142	3,653,624	6,603,553	7,217,901	7,335,846	5,037,300	8,138,654
	29,111,197	10,634,163	5,156,424	7,204,554	10,239,571	7,623,681	19,057,984	10,608,654
GREAT LAKES								
Shipbuilding.....	8,953,700	5,210,996	7,025,000	8,256,600	31,075,024	3,502,850	32,514,789	6,643,600
Repairs and Conversions.....	2,883,436	4,310,629	3,086,631	4,636,319	4,679,525	5,926,099	5,276,251	2,895,745
	11,837,136	9,521,625	10,111,631	12,892,919	35,754,549	9,428,949	37,791,040	9,539,345
St. LAWRENCE								
Shipbuilding.....	52,849,028	21,360,807	10,371,383	4,047,053	6,282,390	40,325,000	38,689,200	37,783,150
Repairs and Conversions.....	4,791,317	2,970,850	5,388,538	7,345,077	14,717,394	21,254,741	14,108,262	7,898,312
	57,640,345	24,331,657	16,759,921	11,392,130	20,999,784	61,579,741	52,797,462	45,681,462
ATLANTIC COAST								
Shipbuilding.....	4,325,289	55,000	7,381,970	.....	1,604,250	300,000	7,950,000	370,000
Repairs and Conversions.....	6,990,299	5,230,875	5,001,402	5,750,231	11,147,247	16,570,462	13,722,715	8,107,094
	11,315,588	5,285,875	12,383,372	5,750,231	12,751,497	16,870,462	21,672,715	8,477,094
SUMMARY								
Shipbuilding.....	87,255,269	31,740,824	26,281,153	12,904,654	41,982,334	44,415,685	93,174,673	46,266,750
Repairs and Conversions.....	22,648,997	18,032,496	17,130,195	24,335,180	37,762,067	51,097,148	38,144,528	27,039,805
	109,904,266	49,773,320	43,411,348	37,239,834	79,744,401	95,512,835	131,319,201	73,305,555

this upward trend has continued into 1956. We give below the average monthly employment figures in the principal shipbuilding areas during the period 1946 to 1955.

AVERAGE MONTHLY EMPLOYMENT IN THE CANADIAN
SHIPBUILDING INDUSTRY

<i>Year</i>	<i>Number of Yards Reporting</i>	<i>Pacific Coast</i>	<i>Great Lakes</i>	<i>St. Lawrence</i>	<i>Atlantic Coast</i>	<i>Total</i>
1946	16	4,988	2,148	6,272	2,991	16,399
1947	16	4,119	1,485	8,874	2,657	17,135
1948	16	2,949	2,308	8,045	1,976	15,278
1949	16	1,496	2,168	4,230	1,937	9,831
1950	17	1,100	2,202	3,892	1,336	8,530
1951	19	2,080	2,803	5,237	1,913	12,033
1952	19	2,595	3,591	8,092	2,909	17,187
1953	20	2,547	3,082	10,490	3,511	19,630
1954	19	2,555	1,994	7,407	3,544	15,500
1955	17	2,566	1,267	5,448	3,151	12,432

Outlook

The estimated capital cost of new vessels in preparation or under construction as of March 31, 1956, amounted to approximately \$240,469,280.00. This sum represents orders for vessels divided among the four ship-building areas as follows:

	<i>Naval</i>	<i>Other Govt.</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	11	1	15	\$ 86,251,520
Great Lakes.....	1	3	6	10,130,000
St. Lawrence.....	11	5	8	93,951,160
Atlantic Coast.....	8	3	—	50,136,600
	<u>31</u>	<u>12</u>	<u>29</u>	<u>\$240,469,280</u>

Tables VI and VII which follow give particulars of the twenty-nine merchant ships, twelve government vessels, and thirty-one naval vessels in preparation or under construction as of March 31, 1956.

Included in the foregoing figures are sixteen barges, five tugs, seven cargo or passenger vessels and one dredge, having a total value of \$12,066, 910.00. These, together with eight miscellaneous Government vessels valued at \$5,405,800.00, represent a total of \$17,472,-710.00 in new shipbuilding orders placed during the year.

TABLE VI
PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1956

Name of Owner	Name of Ship	Length Beam and Depth	Power Plant	Estimated Speed	Estimated Dead- weight Carrying Capacity	Name of Shipyard	Type of Vessel
Vancouver Tug Boat Co. Ltd.....	<i>Hull Nos. 150, 151.....</i>	150'0" 43'0" 10'6"	Non-prop.....	.....	1,300	Yarrows Limited.....	Steel Barges
Northern Transportation Co. Ltd....	<i>Hull Nos. 152, 153..... and 154</i>	95'0" 25'0" 9'0"	560 b.h.p..... T/S Diesel	10 knots	.....	Yarrows Limited.....	Tugs
Gilley Bros. Ltd.....	<i>Hull No. 155.....</i>	105'0" 38'0" 10'0"	Non-prop.....	.....	750	Yarrows Limited.....	Steel Barge
Island Tug & Barge Ltd.....	<i>Hull Nos. 156 and 157</i>	140'0" 43'0" 10'6"	Non-prop.....	.....	1,200	Yarrows Limited.....	Steel Barges
Coast Ferries Ltd.....	<i>Hull No. 79.....</i>	122'0" 36'6" 9'1"	152 b.h.p..... Diesel	9 knots.....	.....	Victory Machinery Depot Co. Ltd.	Auto-pass. Ferry
Island Tug & Barge Ltd.....	<i>Hull Nos. 291 and 292</i>	140'0" 43'0" 10'5"	Non-prop.....	.....	1,050	Burrard Dry Dock Co. Ltd.....	Steel Sows
Hudson's Bay Company.....	<i>Hull Nos. 293 and 294</i>	115'0" 30'0" 7'6"	Non-prop.....	.....	330	Burrard Dry Dock Co. Ltd.....	Steel Scow
Canadian Forest Products Ltd.....	<i>Hull Nos. 295 and 296</i>	150'0" 43'0" 10'5"	Non-prop.....	.....	1,120	Burrard Dry Dock Co. Ltd.....	Steel Sows
Dept. of Transport.....	<i>Sir James Douglas.....</i>	150'0" 30'0" 13'6"	570 s.h.p..... T/S Diesel	12½ knots	250	Burrard Dry Dock Co. Ltd.....	Lighthouse Tender
Montship Lines Ltd.....	<i>Montclair.....</i>	240'6" 37'0" 24'6"	1,545 b.h.p..... S/S Diesel	13 knots	2,100	Collingwood Shipyards Ltd.....	Ocean-going Cargo Vessel

N. M. Paterson & Sons Ltd.	Hull No. 155	259'0" 43'6" 22'6"	1,280 b.h.p. T/S Diesel	11 m.p.h.	3,872	Collingwood Shipyards Ltd.	Canal-size Freighter
McNamara Construction Ltd.	Hull Nos. 156 and 157	130'0" 30'0" 10'6"	Non-prop.			Collingwood Shipyards Ltd.	Steel Scows
N. M. Paterson & Sons Ltd.	Hull No. 158	259'0" 43'6" 22'6"	1,280 b.h.p. T/S Diesel	11 m.p.h.	3,872	Collingwood Shipyards Ltd.	Canal-size Freighter
N. M. Paterson & Sons Ltd.	Hull No. 159	605'0" 62'0" 33'0"	4,400 s.h.p. S/S Turbine	15 m.p.h.	15,250	Collingwood Shipyards Ltd.	Bulk Freighter
Dept. of Transport	Hull Nos. 58, 59 and 60	50'0" 14'0" 5'10"	200 h.p. Diesel	14 m.p.h.	27	Kingston Shipyards Ltd.	Steel Barges
Canadian Vickers Ltd.	Hull No. 267	45'10" 14'0" 8'7"	300 h.p. Diesel	10 knots		Canadian Vickers Ltd.	Tug
E. G. M. Cape & Co. Ltd.	Hull No. 268	126'6" 48'6" 5'6"	Non-prop.			Canadian Vickers Ltd.	Steel Barge
Dept. of Mines and Technical Surveys	Baffin	285'0" 49'6" 29'6"	7,060 s.h.p. T/S Diesel	15½ knots	1,360	Canadian Vickers Ltd.	Hydrographic Survey Vessel
Marine Industries Ltd.	C. 255	146'0" 57'0" 19'0"	Non-prop.			Marine Industries Ltd.	Dredge
Marine Industries Ltd.	C. 228 and C. 229	112'0" 33'0" 10'6"	Non-prop.		600	Marine Industries Ltd.	Steel Scows
Dept. of Transport	Sambro	128'0" 30'0" 21'5"	480 b.h.p. Diesel	9 knots		Geo. T. Davie & Sons Ltd.	Lighthouse Tender
R.C.M.P.	Hull No. 68	178'0" 29'0" 14'6"	2,666 b.h.p. T/S Diesel	16½ knots		Geo. T. Davie & Sons Ltd.	Patrol Vessel
Capt. J. M. & R. Desgagne	Hull No. 69	143'2" 33'0" 15'4"			700	Geo. T. Davie & Sons Ltd.	Cargo Vessel
Dept. of Transport	Hull No. 607	149'6" 34'0" 14'6"	1,200 s.h.p. T/S Diesel	12½ knots	336	Davie Shipbuilding Ltd.	Lighthouse Tender

TABLE VI—*Concluded*

PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1956—*Concluded*

Name of Owner	Name of Ship	Length Beam and Depth	Power Plant	Estimated Speed	Estimated Dead- weight Carrying Capacity	Name of Shipyard	Type of Vessel
Davie Shipbuilding Ltd.....	<i>Hull No. 608</i>	90'0" 27'3" 13'6"	1,200 s.h.p..... S/S Diesel	12 knots .	45	Davie Shipbuilding Ltd.....	Tug
Canada Steamship Lines Ltd.....	<i>Hull No. 609</i>	253'0" 43'10" 22'6"	1,280 b.h.p..... T/S Diesel	11 m.p.h..	2,950	Davie Shipbuilding Ltd.....	Canal-size Freighter
Dept. of Transport.....	<i>Hull No. 610</i>	201'10" 48'0" 21'0"	4,000 i.h.p..... T/S Steam Unaflo	13 knots .	1,116	Davie Shipbuilding Ltd.....	Icebreaker
Dept. of Transport.....	<i>Lord Selkirk</i>	259'0" 52'6" 18'0"	2,550 b.h.p..... T/S Diesel	14 knots .	.....	Ferguson Industries Ltd.....	Auto-pass. Ferry
Dept. of Transport.....	<i>Hull No. 2</i>	45'0" 12'0" 6'6"	180	10 knots .	.....	Lunenburg Foundry & Engineering	Pilot Boat
Dept. of Transport.....	<i>Hull No. 3</i>	66'6" 17'6" 7'6"	210	10 knots .	20	Lunenburg Foundry & Engineering	Work Boat

TABLE VII
NAVAL VESSELS IN PREPARATION OR UNDER CONSTRUCTION
IN MAJOR CANADIAN SHIPYARDS
MARCH 31, 1956

<i>Shipyard</i>	<i>No. and Type of Vessel</i>	
PACIFIC COAST		
Yarrows Limited, Esquimalt, B.C.....	1	A/S Escort Vessel
	1	Minesweeper
	1	Ammunition Lighter
Victoria Machinery Depot Co. Ltd., Victoria, B.C.....	1	A/S Escort Vessels
	1	Minesweeper
	1	Water Boat
Burrard Dry Dock Co. Ltd., North Vancouver, B.C.....	3	A/S Escort Vessels
	1	Crane Lighter
	1	Derrick Scow
	11	
GREAT LAKES		
Port Arthur Shipbuilding Co. Ltd., Port Arthur, Ontario.....	1	Minesweeper
ST. LAWRENCE		
Canadian Vickers Ltd., Montreal, P.Q.....	2	A/S Escort Vessels
Marine Industries Ltd., Sorel, P.Q.....	2	A/S Escort Vessels
	1	Minesweeper
	2	Ammunition Lighters
Geo. T. Davie & Sons Ltd., Lauzon, Levis, P.Q...	1	Minesweeper
	1	Modified Norton Tug
Davie Shipbuilding Ltd., Lauzon, Levis, P.Q...	1	A/S Escort Vessel
	1	Minesweeper
	11	
ATLANTIC COAST		
Saint John Dry Dock Co. Ltd., East Saint John, N.B.....	1	Crane Lighter
	2	Modified Norton Tugs
Halifax Shipyards Ltd., Halifax, N.S.....	3	A/S Escort Vessels
Ferguson Industries Ltd., Pictou, N.S.....	1	Derrick Scow
	1	Power Barge
	8	
Total.....	31	

Ships built in Canada 1914 - 1955

Table VIII shows the number and tonnage of steel self-propelled merchant ships and naval vessels built in Canadian Shipyards during each of the forty-two years extending from 1914 to 1955. Including deliveries from various wartime shipyards now no longer in existence, the Canadian shipbuilding industry throughout this period delivered 736 merchant ships totalling 3,745,506 gross tons and 793 naval vessels totalling 805,448 displacement tons.

TABLE VIII

NUMBER AND TONNAGE OF STEEL SELF-PROPELLED MERCHANT AND
NAVAL VESSELS DELIVERED BY CANADIAN SHIPYARDS 1914-1955

Year	Cargo		Tanker		Cargo Passenger		Total Merchant Vessels		Total Naval Vessels	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Displ. Tons
1914	2	16,073	.....	.....	4	8,843	6	24,916	40	11,716
1915	1	733	.....	.....	.....	.....	1	733	255	75,228
1916	4	15,672	3	6,098	.....	.....	7	21,770	9	3,600
1917	4	15,318	2	5,262	.....	.....	6	20,580	32	9,421
1918	18	47,320	.....	.....	1	2,383	19	49,703	55	16,085
1919	25	99,188	.....	.....	.....	.....	25	99,188	.....	.....
1920	14	57,855	1	640	1	3,600	16	62,095	.....	.....
1921	15	67,190	.....	.....	2	9,471	17	76,661	.....	.....
1922	2	9,417	.....	.....	.....	.....	2	9,417	.....	.....
1923	3	4,810	.....	.....	1	1,243	4	6,053	.....	.....
1924	2	15,397	.....	.....	1	600	3	15,997	.....	.....
1925	4	13,195	.....	.....	1	795	5	13,990	.....	.....
1926	6	16,947	.....	.....	3	3,378	9	20,325	.....	.....
1927	5	10,130	.....	.....	1	6,328	6	16,458	.....	.....
1928	5	3,233	.....	.....	2	14,028	7	17,261	.....	.....
1929	7	20,404	.....	.....	.....	.....	7	20,404	2	634
1930	7	11,664	.....	.....	1	841	8	12,505	.....	.....
1931	1	1,103	.....	.....	1	5,889	2	6,992	.....	.....
1932	1	1,231	.....	.....	.....	.....	1	1,231	1	157
1933	.....	.....	.....	.....	.....	.....	.....	.....	1	140
1934	.....	.....	.....	.....	1	531	1	531	.....	.....
1935	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1936	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1937	.....	.....	1	1,585	.....	.....	1	1,585	.....	.....
1938	.....	.....	1	1,512	3	2,308	4	3,820	2	886
1939	.....	.....	1	1,610	1	348	2	1,958	1	140
1940	.....	.....	1	2,238	.....	.....	1	2,238	14	12,387
1941	1	7,131	.....	.....	1	1,179	2	8,310	71	64,932
1942	84	602,045	.....	.....	.....	.....	84	602,045	50	44,490
1943	139	940,589	5	31,202	.....	.....	144	971,791	70	82,946
1944	109	704,825	13	69,559	.....	.....	122	774,384	97	120,808
1945	38	186,774	.....	.....	.....	.....	38	186,774	68	344,157
1946	26	34,769	1	1,500	4	15,759	31	52,028	1	2,390
1947	16	46,316	.....	.....	7	37,291	23	83,607	1	2,390
1948	41	115,566	3	8,839	4	7,958	48	132,363	1	2,390
1949	16	51,503	.....	.....	4	15,255	20	66,758	.....	.....
1950	10	20,754	1	2,153	5	16,552	16	39,459	.....	.....
1951	.....	.....	3	24,319	1	5,074	4	29,393	3	404
1952	6	55,730	2	25,275	.....	.....	8	81,005	4	1,565
1953	8	47,198	1	17,845	2	9,588	11	74,631	4	1,777
1954	11	82,375	1	17,847	4	5,618	16	105,840	9	3,420
1955	5	15,617	.....	.....	4	15,090	9	30,707	2	3,385
Total	636	3,338,072	40	217,484	60	189,950	736	3,745,506	793	805,448

DISTRIBUTION BY SHIPBUILDING AREAS

Pacific Coast										
267	1,719,379	12	86,395	6	22,240	285	1,828,014	77	299,426	
Great Lakes										
98	390,302	17	76,967	7	11,061	122	478,330	134	137,865	
St. Lawrence										
231	1,105,825	10	52,622	42	143,718	283	1,302,165	569	354,047	
Atlantic Coast										
40	122,566	1	1,500	5	12,931	46	136,997	13	14,110	
Total	636	3,338,072	40	217,484	60	189,950	736	3,745,506	793	805,448

Shipbuilding Facilities

In our second annual report, dated June 30, 1949, we published a survey of the facilities in Canada for the construction, repair and reconditioning of vessels. The report also contained particulars of the shipbuilding and docking facilities available in all the major shipyards. Similar information, revised and brought up to date, is given in Tables IX and X which follow:

TABLE IX
PARTICULARS OF BUILDING WAYS AND FITTING-OUT WHARVES

Shipyard	BUILDING WAYS				FITTING-OUT WHARVES	
	Berth No.	Max. Length	Max. Width	Method of Launching	Length of Wharf	Depth of Water
PACIFIC COAST AREA						
Yarrows Ltd.....	1	335'	41'	End	560'	10' to 28' At low 20' to 33' tide
	2	335'	45'	End	500'	
Victoria Machinery Depot Co. Ltd.....	1	650'	85'	End	1,000'	31' to 42' At low
	2	650'	85'	End	800'	30' to 36' tide
	3	200'	42'	End	800'	30' to 36'
					300'	22' to 28'
Burrard Dry Dock Co. Ltd....	1	250'	44'	End	140'	14' At low 25' tide (deep sea tide drydocks on both sides)
	2	475'	88'	End	570'	
	3	475'	79'	End	435'	
	×4	575'	84'	End	.....
	×5	575'	83'	End	465'	
× Available in an emergency.					420'	30' At low
					560'	35' tide
					400'	35'
						32'
GREAT LAKES AREA						
Port Arthur Shipbuilding Co...	1	700'	74'	Side	1,250'	22'
	2	700'	74'	Side		
Collingwood Shipyards.....	1	500'	56'	Side	500'	16'
	2	650'	70'	Side	450'	16'
Port Weller Dry Docks Ltd....	1	679'	90'	Flotation	Port Weller Harbour	27'
Port Dalhousie Shipyards Ltd..	1	100'	40'	End	600'	14'
					250'	14'
Kingston Shipyards Ltd.....	1	370'	65'	Side	375'	17'
	2	275'	60'	Side	260'	17'
	3	200'	55'	M.R.	200'	17'
ST. LAWRENCE AREA						
Canadian Vickers Ltd.....	1	500'	120'	End	1,200' (Double Berth)	30'
	2	500'	120'	End		
	3	450'	65'	End		
	4	450'	65'	End		
	5	350'	40'	End		
Montreal Dry Docks Ltd.....	1	430'	44'	Flotation	200'	16'
St. Lawrence Dry Docks Ltd...	1	285'	64'	Flotation		
Marine Industries Ltd.....	1	450'	70'	M.R.	2,500'	20'
	2	450'	70'	M.R.		
	3	450'	70'	M.R.		
	4	450'	70'	M.R.		
	5	450'	70'	M.R.		
	6	450'	70'	M.R.		

TABLE IX—*Concluded*

PARTICULARS OF BUILDING WAYS AND FITTING-OUT WHARVES—*Concluded*

Shipyard	BUILDING WAYS				FITTING-OUT WHARVES	
	Berth No.	Max. Length	Max. Width	Method of Launching	Length of Wharf	Depth of Water
ST. LAWRENCE AREA— <i>Concluded</i> Maritime Industries Ltd— <i>Concluded</i>	7	450'	70'	M.R.		
	8	450'	70'	M.R.		
	9	250'	60'	M.R.		
	10	250'	60'	M.R.		
	11	250'	60'	M.R.		
Davie Shipbuilding Ltd.....	1	450'	70'	End	440'	20'
	2	450'	65'	End	480'	20'
	3	475'	65'	End	520'	20'
	4	550'	65'	End	600'	20'
	5	550'	65'	End	400'	28'
NOTE: Berths No. 4 and No. 5 can be extended to 700' if required; they can also be combined in width.					400'	28'
Geo. T. Davie & Sons Ltd.....	1	300'	60'	End	1,000'	22'
	2	375'	65'	End	500'	8' At low tide
	3	375'	65'	End		
	4	375'	65'	End		
ATLANTIC COAST AREA St. John Dry Dock Co. Ltd....	1	350'	70'	End	725'	30'
	2	350'	70'	End	725'	30'
	3	350'	70'	End	350'	30'
	4	320'	70'	End	450'	25'
Halifax Shipyards Ltd.....	1	510'	65'	End	320'	29'
	2	522'	70'	End	400'	31'
	3	500'	60'	End	350'	26'
					1,220'	21'
Ferguson Industries Ltd.....					100'	19'
	1	600'	60'	End	600'	26'
	2	600'	60'	End	600'	26'

TABLE X

PARTICULARS OF DRYDOCKS AND MARINE RAILWAYS

F.....Floating Dock	G.....Graving Dock	M.R.....Marine Railway				
Shipyard	Type	Lifting Cap. Tons	Length over all	Width Clear	Depth over Keel Blocks	
PACIFIC COAST Yarrows Limited.....	M.R.	2,500	301'	55'	18'	
Victoria Machinery Depot Co. Ltd.....	M.R.	2,500	275'	53'	17'	
Burrard Dry Dock Co. Ltd.	F.	15,000	556'6"	98'	27'	At high water
	M.R.	1,500	250'	54'	16'	
	F.	12,000	480'	82'10"	27'	
	F.	2,000	250'	48' 8"	16'	
Government of Canada, Esquimalt,	G.	—	450'6"	65'	28' 8"	
British Columbia.....	G.	—	1,173'8"	135'	40'	

NOTE: These graving docks are used by Yarrows Ltd., and by Victoria Machinery Depot Co. Ltd.

TABLE X—Concluded

PARTICULARS OF DRYDOCKS AND MARINE RAILWAYS—Concluded

F.....Floating Dock G.....Graving Dock M.R.....Marine Railway

Shipyard	Type	Lifting Cap. Tons	Length over all	Width Clear	Depth over Keel Blocks
GREAT LAKES					
Port Arthur Shipbuilding Co. Limited.....	G.	—	723'	73'	16'1"
Collingwood Shipyard.....	G.	—	518'	56'	15'
	G.	—	412'	95'	15'
Port Weller Dry Docks Ltd.	G.	—	679'	90'	12'
	G.	—	620'	80'	26'
Port Dalhousie Ship- yards Limited.....	G.	—	260'	45'	9'
Kingston Shipyards Ltd...	G.	—	379'	58'	16'6"
	M.R.	300	200'	55'	17'
ST. LAWRENCE					
Canadian Vickers Ltd.....	F.	25,000	600'	98'	27'6"
Montreal Dry Docks Ltd...	G.	—	430'	44'8"	9'6"
	G.	—	430'	50'	11'3"
St. Lawrence Dry Docks Limited.....	G.	—	285'	64'	14'6"
Marine Industries Ltd.....	M.R.	5,000	420'	70'	12' fwd 19'3" aft
	M.R.	2,000	250'	60'	10' fwd 18' aft
Geo. T. Davie & Sons Ltd..	M.R.	2,100	280'	72'	16'
Government of Canada, Lauzon, Quebec.....	G.	—	1,150'	120'	40'
	G.	—	600'	62'	22'8"
ATLANTIC COAST AREA					
St. John Dry Dock Co. Ltd.	G.	—	440'	60'	24'
	G.	—	1,150'	125'	42'
Halifax Shipyards Ltd.....	G.	—	572'	79'6"	30'
	F.	25,000	600'	100'	27'
	M.R.	2,400	600'	100'	27'
	M.R.	1,200	235'	—	13' fwd 18' aft
	M.R.	150	200'	—	12' fwd 18' aft
	M.R.	100	97'	—	5' fwd 9' aft
	M.R.	3,000	368'	—	13' fwd 18' aft
	M.R.	3,000	368'	—	16'9" fwd 19'5" aft
Ferguson Industries Ltd....	M.R.	1,000	200'	48'	20'
	M.R.	2,000	250'	46'	23'

NOTE: These graving docks are used by Davie Shipbuilding Limited, and by Geo. T. Davie & Sons Limited

Coasting Trade of Canada

Preliminary estimates of the volume of freight traffic in the coasting trade indicate an increase in 1955 over the previous year, largely explained by the development of the iron ore route from Seven Islands to Contrecoeur. The trend in the tonnage of domestic cargo handled at the eight seaports administered by the National Harbours Board continued upward.

About 10 per cent of the total tonnage of cargo in the coasting trade in 1955 was carried by ships of United Kingdom registry, representing an increase of nearly 1.2 million tons over 1954. Ships registered in the United Kingdom again participated to the extent of 75 per cent in the seaborne domestic movement of Cape Breton Island coal, and handled very nearly the entire coasting movement of iron ore from Seven Islands to Contrecoeur and of titanium ore from Havre St. Pierre to Sorel.

Fifty-two British Commonwealth ships registered outside Canada engaged in the coasting trade in 1955, compared with forty-four in 1954. Twenty-six were ships of over 5,000 gross register tons each, twelve were between 2,000 and 5,000 tons, and fourteen were under 2,000 tons. Twenty engaged in coasting liner services, twenty-six in bulk cargo operations, and six as itinerant traders. Twelve were owned by Canadian shipping companies and operated under transfer plan arrangements agreed upon by the Canadian and British Governments.

The major commodities carried in the coasting trade, together with their percentage of the total tonnage in 1954, are shown below:

<i>Cargo</i>	<i>Short Tons 000's</i>	<i>%</i>
1. Grain.....	10,323.8	31.9
2. Petroleum oils and products.....	6,411.5	19.8
3. Pulpwood.....	3,344.2	10.3
4. Coal and coke.....	2,399.5	7.4
5. Logs and piling.....	1,381.8	4.3
6. Sand, gravel and stone.....	1,165.9	3.6
7. Iron ore.....	793.6	2.5
8. Hoggcd fuel.....	629.5	2.0
9. Cement.....	620.6	1.9
10. Non-ferrous metallic ores.....	392.9	1.2
11. Limestone.....	375.1	1.2
12. Gypsum.....	310.0	1.0
13. Newsprint and paper.....	235.8	0.7
14. Lumber.....	140.3	0.4
15. All other cargo.....	3,822.0	11.8
	<hr/> 32,346.5 <hr/>	<hr/> 100.0 <hr/>

Direct Trade Between the Great Lakes and Overseas

Fifteen steamship lines operated regular ocean services to and from the Great Lakes during 1955. The Commission's records show that one hundred and eighteen vessels of non-Canadian, non-United

States registry made 326 trips from overseas ports to the Great Lakes. The distribution of these vessels according to flag is as follows:

<i>Registry</i>	<i>Number of ships</i>	<i>Number of trips</i>
German.....	47	129
Norwegian.....	33	86
Swedish.....	13	37
Netherlands.....	10	36
United Kingdom.....	6	14
French.....	4	12
Finnish.....	3	8
Italian.....	1	3
Cuban.....	1	1
	118	326

The number of ocean liner services from the Great Lakes will probably be increased to seventeen during the 1956 season, continuing the trend encouraged by the development of the St. Lawrence Seaway.

Records of freight market fixtures and indices are being maintained. The Commission has continued to keep records of liner-berth services from Canada, the movements and employment of Canadian-owned ships in foreign trades, details of owners, names, types, and sizes of Canadian-owned vessels of 200 gross tons and over and records of casualties, sales, and other statistical data for various studies.

Table XI which follows shows the shipping services maintained from Canada during 1955.

TABLE XI
LINER SERVICES FROM CANADA, 1955

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to the United Kingdom and Eire.....	10 British 1 Canadian* 1 Dutch 1 German	1 Greek 1 Irish 2 Italian 1 Norwegian 1 Panamanian	34
St. Lawrence and Atlantic Ports to North and North West Europe.....	2 British 2 Canadian* 2 Dutch 1 French 4 German	1 Greek 1 Italian 3 Norwegian 1 Panamanian 2 Swedish	21
Great Lake Ports to the United Kingdom..	2 British 1 Canadian*	1 Norwegian 2 Swedish	9
Great Lake Ports to North and North West Europe.....	1 Canadian 1 Dutch 1 Finnish 1 French-Swedish	1 German 1 Norwegian 3 Swedish	24

* Most Canadian lines chartered non-Canadian ships to furnish or to augment the cargo liner service.

TABLE XI—*Concluded*LINER SERVICES FROM CANADA 1955—*Concluded*

Service	Number and Nationality of Lines		Average Sailings per Month
Pacific Coast Ports to the United Kingdom and North and North West Europe.....	2 British 1 British/Dutch 1 Canadian 1 Danish	1 French 1 German 1 Japanese 2 Norwegian 1 Swedish	16
St. Lawrence and Atlantic Ports to the Mediterranean.....	1 Canadian 1 French 1 British/German/Egyptian	1 Israeli 1 Italian	4
Great Lakes and St. Lawrence Ports to the Mediterranean.....	1 British/French 1 Canadian/Italian 1 Scandinavian/Dutch		7
Pacific Coast Ports to the Mediterranean..	1 Italian		1
St. Lawrence and Atlantic Ports to the Caribbean.....	1 American 3 Canadian 1 Colombian/Ecuadorean	1 Swedish 1 Venezuelan	19
Great Lake Ports to the Caribbean.....	1 German		1
Pacific Coast Ports to the Caribbean.....	1 American 2 Canadian*	1 Japanese 1 Panamanian	3
St. Lawrence and Atlantic Ports to West, South and East Africa.....	1 British 1 French	1 Norwegian	2
Pacific Coast Ports to South and East Africa.....	2 Japanese 1 Dutch/Norwegian		3
St. Lawrence and Atlantic Ports to India and Persian Gulf.....	1 British		1
Pacific Coast Ports to India and Persian Gulf.....	1 Dutch/Norwegian		2
St. Lawrence and Atlantic Ports to the East Coast of South America.....	2 American		3
Pacific Coast Ports to the West Coast of South America.....	1 American 1 Chilean 1 Colombian/Ecuadorian	1 Japanese 1 Norwegian **	6
Pacific Coast Ports to the East Coast of South America.....	2 American		2
St. Lawrence and Atlantic Ports to Aus- tralia and New Zealand.....	1 British		2
Pacific Coast Ports to Australia and New Zealand.....	1 American 1 British	1 New Zealand 1 Swedish	3
St. Lawrence and Atlantic Ports to the Far East.....	2 British 1 Danish	1 Dutch	5
Pacific Coast Ports to the Far East.....	3 American 1 Japanese	2 Norwegian 1 Norwegian/ Swedish	11
Pacific Coast Ports to the Hawaiian Islands.	1 American		2
Pacific Coast Ports to the South Sea Islands	1 Norwegian		Approx. every 2 months
Pacific Coast Ports to California.....	1 Norwegian		2
Round the World from Atlantic Ports.....	1 American		1 eastbound 1 westbound

**(and via Straits of Magellan to the East Coast of South America)

Subsidized Steamship Services

In accordance with the terms of the Canadian Maritime Commission Act, the Commission continued to administer steamship subventions voted by Parliament.

During the fiscal year 1955-56 subventions were administered for coastal and inland waters only.

Coastal services for which subventions were paid were made up of one service on the Pacific coast, covering five routes, two on the Great Lakes and 26 on the East coast including the River and Gulf of St. Lawrence; also the service of the Canadian National Railways vessels operating 10 different routes on the coasts of Newfoundland and Labrador.

The Commission's inspectors reviewed all services, inspected vessels and carried out surveys of the areas involved to verify the continuing need to maintain these services.

During the year one service on the East coast, that between Yarmouth, N.S. and Boston, Mass., U.S.A., for carriage of freight only, was discontinued when the new ferry vessel M/V BLUENOSE entered into service between Yarmouth, N.S. and Bar Harbour, Maine.

Five applications for subsidy assistance for new services were received; two were declined and three held in abeyance pending receipt of further information. With regard to one service three proposals were received from interested parties for construction of new equipment, one by present contractor and the others by interested parties.

To meet increased costs of operations, mainly higher wages and repair bills, increases in subsidy were approved for three services.

A reorganization of one service has enabled a reduction in subsidy of \$27,100.00 to be made. In two other services increased revenues in the past year will decrease the amount of subsidy required by them in 1956-57.

A survey of certain coastal services in the Maritime Provinces is being undertaken jointly by the Department of Fisheries which is interested in their usefulness to communities dependent upon fishing, the Department of Public Works which is concerned with government wharfs at ports of call and the Commission which has to keep the need for services continually under review.

Subsidies paid during the year amounted to \$4,134,411.

Table XII shows provincial and interprovincial distribution of subsidy payments.

TABLE XII
STEAMSHIP SUBVENTIONS

<i>Interprovincial Services</i>	
between Quebec, Prince Edward Island and Nova Scotia..	\$ 120,000
“ Nova Scotia and Prince Edward Island.....	158,000
“ Nova Scotia and New Brunswick.....	33,000
“ New Brunswick and Quebec.....	69,000
<i>Provincial Services</i>	
British Columbia.....	325,000
New Brunswick.....	103,600
Newfoundland.....	2,117,847
Nova Scotia.....	268,924
Ontario.....	111,840
Quebec.....	827,200
Total.....	<u>\$4,134,411</u>

The above is the net amount after recapture of subsidy as follows:

Prescott, Ontario and Ogdensburg, N.Y.....	\$15,000.00
Owen Sound, Manitoulin Island and Georgian Bay.....	\$23,160.46

Table XIII shows the subsidized services, the frequency of service and type and amount of subsidy paid.

TABLE XIII
SUBSIDIZED COASTAL STEAMSHIP SERVICES

Showing frequency of service and amount of annual subsidy paid by the Government of Canada

BADDECK AND IONA, N.S.

2 sailings daily, except Sundays, to connect with C.N.R. train at Iona, for passengers, mail, express and freight.

Subsidy	\$ cts.
	14,500 00

CAMPOBELLO, N.B. AND LUBEC, MAINE, U.S.A.

Shuttle service, daily except Sundays, passenger and auto ferry

Subsidy	6,600 00
---------	----------

CROSS POINT, P.Q. AND CAMPBELLTON, N.B.

Half hour service, 6 a.m. to 11 p.m., daily during season of Navigation
Passenger and auto ferry.

Subsidy	40,000 00
---------	-----------

DALHOUSIE, N.B. AND MIGUASHA, P.Q.

Hourly service daily 7.00 a.m. to 9.30 p.m., during season of Navigation
Passenger and auto ferry.

Subsidy	19,000 00
---------	-----------

GRAND MANAN AND THE MAINLAND, N.B.

Summer 3 sailings weekly Grand Manan and St. Andrews
2 sailings weekly Grand Manan and St. John.

Winter 4 sailings weekly Grand Manan and St. Andrews,
1 sailing weekly Grand Manan and St. John.

Passenger and freight service.

Subsidy	95,000 00
---------	-----------

HALIFAX, CANSO AND GUYSBORO, N.S.

Weekly sailings via waypoints, freight only.

Subsidy	23,000 00
---------	-----------

TABLE—XIII—*Continued*SUBSIDIZED COASTAL STEAMSHIP SERVICES—*Continued*

	\$	cts.
HALIFAX, TORBAY, ILE MADAME AND PORTS ON WEST COAST OF CAPE BRETON Fortnightly sailings during season of Navigation via wayports, freight only		
Subsidy	20,000	00
ILE-AUX-COUDRES—LES EBOULEMENTS, P.Q. Up to 7 sailings daily, except Sunday, up to 5 sailings on Sundays, during season of navigation. Passenger and auto ferry.	Subsidy	15,000 00
ILE-AUX-GRUES AND MONTMAGNY, P.Q. (SUMMER) Daily except Sundays, May 1st - November 15th, Passenger, mail and freight.	Subsidy	2,500 00
ILE-AUX-GRUES AND MONTMAGNY, P.Q. (WINTER) 3 sailings weekly November 16th - April 30th, passengers and freight.	Subsidy	1,700 00
MULGRAVE AND CANSO, N.S. Daily except Sundays, freight only.	Subsidy	82,000 00
MULGRAVE, QUEENSPORT AND ILE MADAME Daily except Sundays, freight only.	Subsidy	30,000 00
MURRAY BAY AND NORTH SHORE, ST. LAWRENCE, P.Q. (WINTER) Minimum 2 sailings per month December to March to Seven Islands via wayports. In the months of December and March service extended to Havre St. Pierre. Passenger and freight service.	Subsidy	35,000 00
OWEN SOUND—MANITOULIN ISLAND AND SAULT STE. MARIE (a) Weekly sailings via wayports to Manitoulin Island and Sault Ste. Marie; passengers and freight. (b) June, July and August, one sailing weekly Owen Sound to Little Current and Gore Bay via wayports; passengers and freight. (c) From opening of navigation to June 1st and Sept. 30th to close of navigation 1 round trip weekly Owen Sound - Providence Bay; passengers and freight. (d) Tobermory - South Baymouth, 2 round trips daily June 1st - September 29th; passenger and auto ferry.	Subsidy	100,000 00
	Refund 1955-56	\$23,160 46
	Net Subsidy	\$76,839 54
PELEE ISLAND AND THE MAINLAND (a) Daily sailings except Sundays during season of Navigation. (b) Between June 1st and Labour Day, service is extended to Sandusky, Ohio. Passenger, freight and auto service.	Subsidy	35,000 00
PICTOU, MULGRAVE AND CHETICAMP, N.S. 2 sailings weekly, via wayports; freight only.	Subsidy	13,500 00
PICTOU, N.S. CHARLOTTETOWN, P. E.I. AND MAGDALEN ISLANDS, P.Q. 1 sailing weekly from Pictou. 1 sailing weekly from Charlottetown. Passenger, mail and freight service.	Subsidy	120,000 00
PRESCOTT, ONTARIO AND OGDENSBURG, N.Y., U.S.A. Sailings every $\frac{1}{4}$ hour in summer, every $\frac{1}{2}$ hour in winter. Passenger and auto ferry service.	Subsidy Refund	15,000 00 15,000 00
	Net Subsidy	NIL

TABLE XIII—*Continued*SUBSIDIZED COASTAL STEAMSHIP SERVICES—*Continued*

	\$	cts.
PRINCE EDWARD ISLAND AND NOVA SCOTIA (WOOD ISLANDS AND CARIBOU)		
From May 1st to November 30th.		
6 sailings daily each way June 15th - September 25th,		
4 sailings daily each way during other periods of navigation season.		
Passenger and auto ferry.	Subsidy	158,000 00
QUEBEC, NATASHQUAN AND HARRINGTON, P.Q.		
During season of Navigation—		
(a) 1 sailing weekly Montreal and Quebec via wayports to Havre St. Pierre, extending to Natashquan fortnightly.		
(b) 1 sailing fortnightly Montreal and Quebec to Seven Islands and wayports to Blanc Sablon.		
(c) 1 sailing fortnightly Montreal and Quebec via wayports to Havre St. Pierre.		
(d) 1 sailing fortnightly Montreal and Quebec via wayports to Seven Islands.		
(a) and (b)—Passenger, mail and freight service,		
(c) and (d)—Freight only.	Subsidy	470,000 00
QUEBEC OR MONTREAL, GASPE AND MAGDALEN ISLANDS		
During season of Navigation—		
1 sailing weekly Montreal and Quebec via wayports to Gaspé, extending every alternate week to Magdalen Islands.		
Passenger and freight service.	Subsidy	156,500 00
RIMOUSKI, MATANE AND NORTH SHORE ST. LAWRENCE		
During season of Navigation—		
(a) Rimouski, Baie Comeau—6 sailings weekly, 2 of which extend to Seven Islands via wayports and 1 to Seven Islands and Havre St. Pierre via wayports.		
(b) Matane to Baie Comeau via wayports 4 sailings weekly 2 of which extend to Seven Islands via wayports.		
(c) Rimouski to Forresterville 5 sailings weekly.		
(d) Rimouski to Ragueneau 1 sailing weekly.		
Passenger, mail and freight service.	Subsidy	125,500 00
RIVIERE-DU-LOUP—ST. SIMEON		
From June 1st - September 30th—		
3 sailings daily each way.		
Passenger and auto ferry.	Subsidy	21,000 00
ST. JOHN, N.B., WESTPORT AND YARMOUTH, N.S.		
2 sailings weekly May to October inclusive,		
1 sailing weekly November to April,		
calling at Tiverton, Freeport and Westport, N.S.		
Freight only.	Subsidy	33,000 00
SYDNEY AND BAY ST. LAWRENCE		
During season of Navigation—		
2 sailings weekly via wayports to Bay St. Lawrence,		
1 sailing fortnightly to St. Anne Bay.		
Passengers and freight.	Subsidy	45,000 00
YARMOUTH, N.S. AND BOSTON, MASS., U.S.A.		
1 sailing per week; freight service only.		
Service discontinued January 31, 1956 on establishment of M/V "BLUENOSE" service between Yarmouth and Bar Harbour, Maine.		
	Subsidy	40,923 00

TABLE XIII—*Concluded*SUBSIDIZED COASTAL STEAMSHIP SERVICES—*Concluded*

NEWFOUNDLAND COASTAL SERVICES		\$	cts.
include:			
(a)	St. Johns, Corner Brook via wayports. 1 sailing every 3 weeks during season of Navigation.		
(b)	St. Johns - Lewisporte, via wayports. 1 sailing every fortnight during season of Navigation.		
(c)	Placentia Bay - West Run. 1 sailing weekly, year round.		
(d)	Placentia Bay - Bay Run, via wayports. 1 sailing weekly, year round.		
(e)	South Coast - Fortune Bay service. Argentia to Port-aux-Basques via wayports. 1 sailing every 18 days, year round.		
(f)	South Coast Service, Argentia to Port-aux-Basques via wayports. 1 sailing every 18 days, year round.		
(g)	Green Bay Service, Lewisporte to Shoe Cove via wayports. 1 sailing weekly during season of Navigation.		
(h)	Notre Dame Bay Service, Lewisporte to Fogo via wayports. 1 sailing weekly during season of Navigation.		
(i)	Lewisporte to Corner Brook via wayports during season of Navigation. 1 sailing every 3 weeks.		
(j)	Labrador Service, St. Johns to Goose Bay via wayports, and connecting service via wayports to Hebron. 1 sailing every 3 weeks during season of Navigation.		
Passenger, mail and freight service.		Subsidy	2,117,847 00
VANCOUVER, NORTHERN B.C. PORTS AND QUEEN CHARLOTTE ISLANDS			
(a)	Vancouver to Prince Rupert and Stewart via wayports. 1 sailing weekly.		
(b)	Vancouver to Prince Rupert and Queen Charlotte Islands. 1 sailing weekly, alternately to North or South Island Queen Charlotte.		
(c)	Vancouver to Ocean Falls and Bella Coola via wayports. 1 sailing weekly.		
(d)	Vancouver to Port Hardy via wayports. 1 sailing weekly.		
(e)	Vancouver to Rivers Inlet. 1 sailing weekly in Summer, 1 sailing fortnightly to Rivers Inlet in Winter, and 1 sailing fortnightly as far as Sullivan Bay.		
Passenger, freight and mail service.		Subsidy	325,000 00

Park Steamship Company Limited

The functions of this Company have continued to be carried out by the staff of the Commission whose three members are its sole directors. The Company is not in receipt of any Operating Revenue and only very minor expenditures were incurred.

Claims resulting from previous operations will undoubtedly be received from time to time; while these will mainly be recoverable from insurance underwriters it will be necessary to finance settlements and absorb collection costs.

The Company is no longer charged with five (5) Stores-Issuing ships which have been returned to the direct charge of the Department of Transport.

The Company does not employ any salaried officers or staff.

Canadian Vessel Construction Assistance Act

A breakdown of the capital cost determinations, amounting to \$10,030,075.54, made by the Commission in accordance with Section 3 of the Act during the fiscal year, is shown in Table XIV, together with the determinations for each fiscal year since the Act came into effect in 1950.

It will be seen from the Table that the value of determinations of cost of new self-propelled cargo vessels has dropped from \$26,541,152.70 in 1952 to \$2,795,475.19 in 1955. This is due to the decrease in new construction of this type. On the other hand, more and more taxpayers operating cargo barges, dredges and scows have taken advantage of the benefits of the Act, thus increasing the value of determinations for non-propelled vessels from \$153,729.23 in 1950 to \$3,532,817.18 in 1955. To a lesser extent this also applies to the owner of tugs, ferries and fishing vessels.

North Atlantic Treaty Organization

The Sixth Meeting of the North Atlantic Treaty Organization Planning Board for Ocean Shipping was held in Washington in May, 1955. The Chairman of the Commission acted as Head of the Canadian delegation as the Commission is the agency designated to co-ordinate North Atlantic Treaty Organization shipping plans in Canada.

At the Sixth Meeting another Working Party was set up on which Canada is represented. This Working Party and another previously established held meetings in February, 1956, in London, which were attended by a member of the Commission's staff.

Inter-Governmental Maritime Consultative Organization (I.M.C.O.)

The requisite number of 21 countries not yet having ratified the Convention in order to bring this Organization into being, the work of the Preparatory Committee of which the Chairman of the Commission is Chairman has remained in abeyance during the year under review. It is to be hoped that the outstanding ratifications will soon be received, particularly so that the Safety Committee of the Organization may be able to take over the work of the 1948 Safety of Life at Sea Convention which it is intended that this Committee should carry on.

TABLE XIV
CAPITAL COST DETERMINATIONS MADE WITH RESPECT TO VOLUNTARY APPLICATIONS FOR THE BENEFITS
OF CLAUSE 3 OF THE CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT

Fiscal Year	DETERMINATIONS WITH RESPECT TO NEW CONSTRUCTION								DETERMINATIONS WITH RESPECT TO CONVERSIONS AND MAJOR ALTERATIONS	
	All Types of Cargo Vessels		Dredges, Scows, and Barges		Tugs, Fishing Vessels, Ferries, Etc.		TOTAL Determinations		No.	Value
	No.	Value	No.	Value	No.	Value	No.	Value		
1950.....	1	\$ 3,136,716.19	2	\$ 153,729.23	1	\$ 57,865.54	4	\$ 3,348,310.96	17	\$ 1,468,496.33
1951.....	6	9,127,824.52	6	251,115.88	11	1,177,791.17	23	10,556,731.57	16	1,113,820.56
1952.....	14	26,541,152.70	10	507,509.79	12	1,060,349.26	36	28,109,011.75	21	4,387,848.89
1953.....	8	18,841,346.88	19	987,490.10	41	1,026,306.06	68	20,855,143.04	17	3,213,387.25
1954.....	9	14,516,710.26	21	2,007,693.09	19	1,192,126.38	49	17,716,529.73	19	4,053,255.33
1955.....	9	2,795,475.19	37	3,532,817.18	16	1,310,892.58	62	7,639,184.95	10	2,390,890.59

Degaussing and Stiffening of Merchant Ships

The Commission has continued to co-ordinate this phase of Government policy. The majority of eligible ships having by this time been fitted, there remain generally to be dealt with only those ships which are building for Canadian registry.

During the year under review, seven ships were completed in Canada and four others taken in hand. In addition, three ships built in the United Kingdom were fitted whilst building.

Military Movements

The Commission has continued to act as the co-ordinating agency for overseas shipping movements of Armed Services personnel and military cargo.

During the year these movements have been primarily the transportation of troops and their dependents to and from Western Europe. In the Fall of 1955 special sailings were arranged in order to effect the periodical rotation of Canadian army forces stationed in West Germany in fulfilment of Canadian commitments to the North Atlantic Treaty Organization.

The Commission also supervises the allocation of shipping space for mutual aid cargoes to allied countries.

The Coasting Laws of Canada

The Commission has continued to advise the Department of National Revenue upon applications for the suspension of the Coasting Laws to permit the temporary operation of foreign flag or foreign built ships in the Canadian Coasting trade. Before suggesting that approval be given every effort is made to ascertain that no eligible ship suitable for the service required is available.

The Commission

The staff of the Commission on March 31, 1956, numbered twenty-three whose annual salaries, together with salaries paid to members of the Commission, amounted to \$121,547.76.

Dated at Ottawa the 28th day of June, 1956.

L. C. AUDETTE

Chairman.

ANGUS MCGUGAN

Commissioner.

C. W. WEST

Commissioner.

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Government
Publications

TENTH REPORT

OF THE

**CANADIAN
MARITIME COMMISSION**

JUNE 10, 1957

SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

Price 15 cents

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TENTH REPORT

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SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957

The Honourable GEORGE C. MARLER, P.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act, 1947, I have the honour to submit herewith the tenth report of the Canadian Maritime Commission, covering the period between April 1, 1956 and March 31, 1957.

I have the honour to be Sir,

Your obedient servant,

L. C. AUDETTE,
Chairman.

Ottawa,
10th June, 1957.

CANADIAN MERCHANT FLEET
(Ships of 1,000 Gross Tons and Over)

	<i>March 31, 1956</i>		<i>March 31, 1957</i>	
	<i>No.</i>	<i>Gross Tons</i>	<i>No.</i>	<i>Gross Tons</i>
<i>Ocean-going Ships in Foreign Trade</i>				
War-built cargo ships				
10,000 Tonners.....	5	35,872	5	35,872
4,700 Tonners.....	6	17,650	6	17,650
Passenger ships.....	—	—	—	—
Diesel Cargo ships.....	3	20,236	3	20,236
Other cargo ships.....	3	13,327	4	16,155
	17	87,085	18	89,913
Tankers.....	8	96,251	8	96,252
	25	183,336	26	186,165

Ships in Coasting Trade

War-built cargo ships				
10,000 Tonners.....	—	—	—	—
4,700 Tonners.....	—	—	—	—
Other passenger and dry cargo ships.....	57	174,434	55	167,732
	57	174,434	55	167,732
Tankers.....	8	19,690	7	17,352
	65	194,124	62	185,084

Lakes and St. Lawrence Canallers

Dry-cargo ships.....	152	299,932	157	312,154
Tankers.....	37	71,969	37	71,969
	189	371,901	194	384,123

Upper Lakers

Dry-cargo and passenger ships.....	74	480,554	74	480,554
Tankers.....	2	25,233	2	25,233
	76	505,787	76	505,787

SUMMARY

Dry-cargo and passenger ships.....	300	1,042,005	304	1,050,353
Tankers.....	55	213,143	54	210,806
	355	1,255,148	358	1,261,159

SHIPS UNDER UNITED KINGDOM REGISTRY

Retained under U.K. Registry.....	51	363,806	35	249,710
Transferred to U.K. Registry.....	43	308,982	43	318,027
Supply ships, on loan.....	5	36,383	5	36,382
	99	709,171	83	604,119

TENTH ANNUAL REPORT

I. Shipping

This report covers the period from April 1, 1956, to March 31, 1957.

It will be seen from the table opposite that during the twelve months under report the Canadian fleet has remained more or less stable. One ship which was formerly described as engaged in coasting trade was removed from that category and listed as ocean-going because it had been primarily employed on ocean services during the year.

The difference in the Coasting Trade and Lakes and St. Lawrence figures is due to the addition of eight new vessels, two in the Coasting Trade and six in the Lakes and St. Lawrence and also to some extent to the transfer of ships from one category to another. One coasting tanker has been transferred to Bahamian registry.

The net decrease in tonnage of ships on United Kingdom registry is due to the sale abroad of eighteen ships under the Replacement Plan and two ships which became a total loss: one was wrecked, the other, *Nordic Star*, disappeared on a voyage across the Atlantic. Actually, nineteen vessels were sold prior to March 31st, but the registry of one was not changed until a few days after the period of this report. Four ships, *Ruth Lake* delivered in the United Kingdom, *Lake Atlin* and *Lake Pennask* bought in the United Kingdom, and *Montclair* built at Collingwood, have been added to the list.

Appendix A shows the disposition by tonnage groups and countries of building of the Canadian-registered merchant fleet.

Freight Rates

During the year covered by this report the principal influence on the freight market was, of course, the Suez crisis and the closing of the Canal. As in recent years, however, the transatlantic coal trade, by engaging a substantial proportion of the world's tramp tonnage, exercised a considerable influence on market rates. The combination of these factors produced in December 1956, a peak in freight rates many of which rose above the highest levels produced by the Korean war in 1951.

Early in the year 1956, the conclusion of a Canadian-Russian trade agreement providing for the sale of Canadian wheat started a flurry in the Pacific grain section of the freight market; the Russians held rates in check by threatening to employ Soviet tonnage. Middle

East unrest, culminating in renewed tension between Israel and Egypt, made itself felt in the market early in the year. Following Egypt's decision in July to nationalize the Suez Canal, Great Britain began to requisition cargo vessels, thus initiating a scramble among shippers to engage substitute tonnage. When the canal was blocked by Egypt, shipping which normally used the Suez route had to be diverted to the longer Cape route, adding as much as a month to a round trip between the United Kingdom and India. In August, an Indo-American trade agreement was concluded in New Delhi providing for the disposal of surplus United States agricultural products in India. All these events aggravated the demand for shipping space.

In 1956 the supply of world shipping increased by 4.6 million gross tons to a new high level of 105.2 million gross tons, with the greatest gains indicated under the flags of Liberia, Norway, Germany, Japan and Holland. The effective supply of tonnage was further increased in the second half of the year by the release of more than a hundred ships from the United States reserve merchant fleet.

The first quarter of 1957 saw a steady recession of freight rates influenced by the release of requisitioned ships, the operation of United States reserve fleet vessels, new tonnage coming from the shipyards and the prospect of restoration of navigation through the Suez Canal.

As a result of the rise in freight rates the price of war-built ex-"Park" and "Liberty" ships climbed to more than $1\frac{1}{2}$ million dollars, which was higher than the prices offered during the Korean war period. In view of the age of these ships, it is anticipated that any marked fall in freight rates will be reflected in a fall in the price of these ships.

Eastbound transatlantic liner freight rates to the Continent advanced by 10 per cent in April, and new general increases of 10 per cent have been announced to United Kingdom and Continental destinations to take effect with the opening of the St. Lawrence navigation season in 1957. Eastbound conference rates will then be from 26.5 per cent to 39 per cent higher than they were at the beginning of 1954.

Tanker freights ranged widely during the year, finally reacting strongly to events in the Middle East. The closure of the Suez Canal severely disrupted tanker schedules on Persian Gulf routes and threw a heavy demand upon American sources of supply. The rate for crude petroleum from Venezuela to Portland, Maine, fell below \$3 per ton in the late winter months and then firmed to around \$5 in the spring of 1956. By mid-summer, the rate held at about \$4, rising gradually until the Suez crisis sent it sky-rocketing to a peak above \$9 by the end of November.

Labour

No serious labour disturbance in Canada affected the maritime industry on a nation-wide scale. Some 2,100 seafarers employed in ships operating in the Great Lakes and St. Lawrence River were out on strike from May 10th to May 19th. Unlicensed personnel struck against the Quebec Paper Sales and Transportation Company of Donnacona, Quebec, from August 8th to August 25th, and stevedores at Botwood, Newfoundland, struck briefly against the Anglo-Newfoundland Development Company at the end of August. The longest strike affecting the maritime industry was waged against Saguenay Terminals Limited at Port Alfred, Quebec, from September 27th to November 1st by the stevedores.

Canadian Ports

Canadian ports generally experienced a notable year. The first export cargo of crude oil from Vancouver for an overseas destination was shipped to Japan in September, 1956, and the first to Europe in December. The Port of Churchill again had a record season, handling forty-eight overseas vessels, ten more than in 1955, and shipping $16\frac{1}{4}$ million bushels of grain.

Appendix B shows the flag participation in the carriage of Canada's overseas trade.

Replacement Plan

During the year under review the original conditions of the Replacement Plan were modified in their application to replacement ships. Hitherto a ship, the cost of which was defrayed in whole or in part from funds held in escrow, was subject to a perpetual flag covenant by which the owner agreed that it would not be sold abroad without the prior consent of the government.

A replacement ship built in Canada now carries the flag covenant for only five years. All other replacement ships carry the covenant for ten years. The ships, mostly ex-"Park", originally acquired from the government continue to carry their flag covenant until they cease to operate.

If a replacement vessel is sold with government permission during the period of its flag covenant then the original amount of escrow funds invested in it, reduced pro rata by the number of years which the ship has operated under the flag covenant, must be replaced in escrow for the building or acquisition of further replacement.

The high prices for war-built ships, brought about by the Suez crisis, encouraged the sale of ships under the Replacement Plan; between the end of August, 1956 and March 31, 1957, approval for the sale of twenty-two ships was given. In many cases sales have resulted from specific need for funds on the part of owners undertaking replacement.

On March 31, 1957, under the provisions of the Replacement Plan there were seven ocean-going vessels building or on order in Canadian shipyards for an approximate value of \$44,000,000; it is anticipated that escrow funds will be used to defray the cost of most of this new construction.

During the past year the proceeds of nineteen vessels sold abroad under this plan have been placed in escrow resulting in a net deposit of \$17,635,138.38; the sum of \$15,524,000 was used towards the building in Canadian yards of two dry-cargo vessels, three ore carriers, one package freighter and one tanker, towards the acquisition of one modern dry-cargo vessel and towards the building of another in the United Kingdom.

Owing to the continuing high market for war-built tonnage and the stimulation provided by the Canadian Vessel Construction Assistance Act, a further number of vessels has been sold for delivery over the next few months; in fact on March 31st, eleven additional vessels had been approved for sale; this brings the total sold and approved to 135 since 1948.

At the end of the fiscal year under review one hundred and twenty-four vessels had been delivered under this plan for a net total of \$77,660,541.10. Approximately \$35,780,000 has been used towards the building of new ocean-going ships, and the acquisition or modernization of existing ships. These operations, which include those undertaken in the current year and mentioned above, may be summarized as the building of two large tankers, three dry-cargo vessels already completed, the building of three ore carriers, one package freighter, one tanker and one dry-cargo vessel now under construction, acquisition of six dry-cargo ships and the modernization and conversion of eighteen existing dry-cargo vessels.

In earlier years a further sum of \$29,113,000 had been channelled into the building and modernization of lake and coastal vessels. On March 31, 1957, \$12,767,000 was on deposit in escrow; practically all this money was held by owners who are building or planning to build replacement vessels mainly in Canadian yards.

The Transfer Plan

On March 31, 1957, there were seventy-eight vessels owned by Canadian companies but registered in the United Kingdom under the Transfer Plan. Under this plan, which is based upon an arrangement between the Canadian and the United Kingdom governments, a vessel so transferred may be returned to Canadian registry at the request of either government; the Canadian owner is permitted to receive in dollars the net profits earned by his ships and the ships will be considered as a Canadian contribution to any allied shipping pooling arrangement set up in emergency.

Under the provisions of a Bill to amend the Canadian Vessel Construction Assistance Act, which was given first reading on

March 25, 1957, any ship built in Canada, if registered in a Commonwealth country under conditions satisfactory to the Commission would obtain the $33\frac{1}{3}$ per cent depreciation allowed in any year by the Act. At present a vessel must continue to be registered in Canada in order to benefit by this special rate of depreciation.

The majority of the ships registered in the United Kingdom under the Transfer Plan carry the obligation to obtain the permission of the government before selling them abroad; they are subject to the "flag covenant".

During the year under review, however, certain Canadian-owned ships not carrying a flag covenant have requested inclusion in the Transfer Plan. In these circumstances, the owners accept certain conditions under which inclusion is permitted.

Apart from some provisions that are directly related to the flag covenant, the conditions applying to these non-restricted ships are the same as those applicable to restricted ships. Summarized briefly these conditions are: the owner must place the ship under the management of a manager authorized by the Bank of England; the authorized manager must be given exclusive authority with respect to the employment of the ship, the collection and receipt of earnings and the payment of expenses of operation; the manager must be authorized to prepare and file with both governments financial and other returns with respect to the operation of the vessel; the manager must endeavour to secure dollar freights.

Eight Canadian-owned ships on United Kingdom registry under the Transfer Plan were amongst a considerable number of United Kingdom-registered ships requisitioned by the United Kingdom government in August, 1956, as a result of the Suez Canal crisis.

Coasting Trade of Canada

Preliminary estimates again indicate an increase in the volume of freight traffic in the coasting trade over the previous year; this is mainly due to the increased shipments of iron ore from Seven Islands to Contrecoeur during 1956 which were some 2 million tons in excess of the 1955 shipments. The eight seaports administered by National Harbours Board also reflect the greater tonnage movement of domestic cargoes.

Ships of United Kingdom registry moved approximately 14 per cent of the entire coastwise cargo tonnage and carried 2.3 million tons more than in 1955. United Kingdom-flag vessels were employed exclusively to ship iron ore from Seven Islands to Contrecoeur and titanium ore from Havre St. Pierre to Sorel; they also carried 81 per cent of the Cape Breton coal to St. Lawrence river ports and predominated in the coastwise trade to sub-Arctic regions.

Fifty-six British Commonwealth vessels registered outside Canada engaged in the coasting trade in 1956 compared with fifty-two

in 1955. Twenty-three were ships of over 5,000 gross tons each, fifteen were between 2,000 and 5,000 gross tons, and eighteen were under 2,000 gross tons. Eighteen engaged in coasting-liner services, twenty-nine in bulk-cargo operations and nine as itinerant traders. Seven were owned by Canadian shipping companies and operated under the special transfer arrangement agreed upon by the Canadian and British governments.

The major commodities carried in the coasting trade, together with their percentage of the total tonnage in 1955, are shown below:

<i>Cargo</i>	<i>Short Tons 000's</i>	<i>%</i>
1. Grain.....	10,018.8	27.5
2. Petroleum Oils and Products.....	7,176.9	19.7
3. Pulpwood and Pulpwood Chips.....	4,078.8	11.2
4. Coal and Coke.....	2,100.7	5.8
5. Logs, Piling, Posts, etc.....	1,699.2	4.7
6. Sand, Gravel and Stone.....	1,237.4	3.4
7. Iron Ore.....	2,263.3	6.2
8. Cement.....	765.0	2.1
9. Limestone.....	340.6	0.9
10. Non-ferrous Metallic Ores.....	483.4	1.3
11. Hoggcd Fuel.....	706.7	1.9
12. Newsprint and Paper.....	242.4	0.7
13. Gypsum.....	315.3	0.9
14. Lumber and Timber.....	381.4	1.0
15. All other cargo.....	4,637.3	12.7
	<u>36,447.2</u>	<u>100.0</u>

Direct Trade between The Great Lakes and Overseas

Although two new services were added, four lines combined to form two services, so that the total number of steamship lines which operated regular ocean services to and from the Great Lakes during 1956 remained at fifteen. The Commission's records show that one hundred and thirty-five vessels of non-Canadian, non-United States registry made three hundred and ninety-six trips from overseas ports to the Great Lakes. The distribution of these vessels according to flag is as follows:

<i>Registry</i>	<i>Number of ships</i>	<i>Number of Trips</i>
German.....	44	132
Norwegian.....	36	90
Swedish.....	15	41
Netherlands.....	11	35
United Kingdom.....	16	67
French.....	4	11
Finnish.....	3	9
Italian.....	3	6
Costa Rican.....	1	1
Panamanian.....	2	4
	<u>135</u>	<u>396</u>

Shipping Records

Records of freight market fixtures and indices are being maintained on behalf of the Commission through the co-operation of the Economic Policy Branch of the Department of Transport.

The Commission has continued to keep records of Canadian-owned vessels of 200 gross tons and over, including their ownership, movements and employment, and other statistical information of special interest to Canadian shipping or shipping in general.

Appendix C shows the shipping services maintained from Canada during 1956.

II. Shipbuilding and Ship-Repairing

Shipbuilding

During 1956 the seventeen major shipyards delivered sixty vessels, particulars of which are given in Appendix D. Forty-eight of these ships were built for commercial owners, seven for the Royal Canadian Navy, and five for various departments of the Federal Government. The commercial vessels consisted mainly of tugs and barges but included four canallers and one ocean-going dry-cargo ship. Of the vessels built for departments of government other than National Defence, three were barges and the other two a lighthouse tender for the Pacific Coast and a hydrographic survey vessel for Arctic and Atlantic waters. Undoubtedly the most outstanding among the vessels completed during the year were the three destroyer escorts, *H.M.C.S. Assiniboine*, *H.M.C.S. Ottawa* and *H.M.C.S. Saguenay*, considered to be among the foremost warships of their type built anywhere in the world. Other units added to the Royal Canadian Navy comprised two ammunition lighters, a minesweeper: *H.M.C.S. Fundy*, and an ocean-going tug: *C.N.A.V. St John*. Vessels built in the four principal shipbuilding areas aggregated 33,317 gross tons, a figure which, of course, excludes all naval vessels. The total value of ships delivered was approximately \$73,733,960.

Compared with 1955 there was a falling-off of 25 per cent in the gross tonnage but a gain of 59 per cent in the dollar value of ships delivered. It should, however, be remembered that the value of tonnage delivered in any one year is seldom a true measure of the value of the work done in that year, since the construction of merchant ships may extend over a two-year period and naval vessels usually take several years to complete.

Ship-repairing

In the ship-repairing branch of the industry the same seventeen shipyards repaired, refitted or drydocked 2,112 merchant ships and 96 naval vessels. The total value of such work completed during 1956 amounted to \$29,480,230 divided among the four shipbuilding areas as shown below. Compared with 1955 this constitutes an increase of \$2,800,425 or 10 per cent.

	<i>Naval</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	13	474	\$ 9,465,965
Great Lakes.....	4	168	3,975,384
St. Lawrence.....	7	686	10,377,731
Atlantic Coast.....	72	764	6,021,147
	96	2,112	\$ 29,840,230

For the purpose of comparison the value of ships delivered and of repairs and conversions carried out in Canadian shipyards from 1950 to 1956 is given in Appendix E.

Employment

The average monthly employment in the industry (17 yards reporting) was 13,891, an increase of 11 per cent compared with 1955. As may be seen from the table given below, employment in Pacific Coast shipyards showed a marked increase over the previous year's average while in the Great Lakes and St. Lawrence areas the gains were relatively small. In the Atlantic Coast area there was unfortunately a slight decline. The general level of employment was considerably higher at the end of 1956 than it was at the beginning, and it is gratifying to note that this upward trend continued into 1957. The following table gives the average monthly employment figures in the principal shipbuilding areas during the period 1949-1956.

<i>Year</i>	<i>Number of Yards Reporting</i>	<i>Pacific Coast</i>	<i>Great Lakes</i>	<i>St. Lawrence</i>	<i>Atlantic Coast</i>	<i>Total</i>
1949	16	1,496	2,168	4,230	1,937	9,831
1950	17	1,100	2,202	3,892	1,336	8,530
1951	19	2,080	2,803	5,237	1,913	12,033
1952	19	2,595	3,591	8,092	2,909	17,187
1953	20	2,547	3,082	10,490	3,511	19,630
1954	19	2,555	1,994	7,407	3,544	15,500
1955	17	2,566	1,267	5,448	3,151	12,432
1956	17	3,544	1,494	6,096	2,757	13,891

Outlook

The industry has naturally viewed with some misgivings the approaching end of the naval shipbuilding programme. This programme, involving an expenditure of over \$400,000,000, was initiated in 1949 at a time when employment in the industry was decreasing and when the future of some strategically essential shipyards was causing concern. It provided a powerful impetus to Canadian shipbuilding and, by stressing the Canadian supply of machinery and components, it has broadened the whole basis of the industries allied with shipbuilding. Nevertheless, although its effects have been extremely beneficial, it is now nearing completion, and many shipyards have already experienced a substantial reduction in the scale of their activities.

The problems resulting from this situation have long been under consideration by the Commission, which holds the opinion that the prosperity of the shipyards cannot be made to depend upon naval shipbuilding, but that, if the industry is to become viable, it must also be enabled to obtain a substantial volume of commercial shipbuilding. The Commission has therefore exerted its efforts to find some means of stimulating the building of commercial vessels in Canada and has made available to prospective owners and ship-

builders the benefits provided under its Replacement Plan and under the Canadian Vessel Construction Assistance Act. Some idea of the success of these measures may be formed when it is stated that, over and above all naval vessels delivered since the naval programme began, the industry has completed other ships to the value of \$225,000,000.

Within the last few months the industry has obtained contracts to build eleven merchant vessels of approximately 205,000 dead-weight tons valued at \$57,918,000. This encourages the Commission to hope that, as the volume of naval shipbuilding diminishes, the industry will continue to find the production of commercial vessels remunerative. The estimated capital cost of all vessels in preparation or under construction as of March 31, 1957, amounted to approximately \$222,348,800. This sum represents orders for vessels divided among the four shipbuilding areas as follows:—

	<i>Naval</i>	<i>Other Govt.</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	7	—	9	\$ 63,438,750
Great Lakes.....	1	2	7	30,466,000
St. Lawrence.....	5	4	12	94,689,800
Atlantic Coast.....	4	2	1	33,854,250
	17	8	29	\$222,348,800

Appendix F gives particulars of the twenty-nine merchant ships and eight government vessels in preparation or under construction as of March 31, 1957.

It will be noted from this Appendix that eight merchant ships now on order are for ocean-going service. These orders have been stimulated by a variety of circumstances of which not the least significant is the ability of prospective owners to obtain escrow funds at a considerable discount to assist in financing the building of ocean-going ships. The discounts available are negotiated between the seller and the buyer of funds held in escrow by their owner under the terms of the Replacement Plan. The discount rate is affected by three factors. First, the seller is able to transfer to the buyer his obligations to the government; second, if the new ship is to be built in Canada, the seller of the funds, under the provisions of Section 4 (1) of the Canadian Vessel Construction Assistance Act, is exempt from the tax incidence resulting from the sale of his ship at a higher figure than that to which it had been written down in his depreciation account; third, that the discount obtained by the buyer of the funds is regarded as capital gain and is not subject to taxation.

On March 25, 1957, a Bill to amend the Canadian Vessel Construction Assistance Act was given first reading in the House of Commons. One clause of this Bill makes Section 4 (1) of the Canadian Vessel Construction Assistance Act applicable to any vessel, however acquired or wherever built, eligible for avoidance of tax

incidence when sold provided that the proceeds of disposition, which include insurance payments for total loss, are used for the building of a replacement vessel under conditions satisfactory to the Maritime Commission. One of these conditions is that the replacement vessel be built in Canada. As the Act now stands this privilege is only available to certain vessels which had already enjoyed some special depreciation benefits.

It must be noted that the holder of any proceeds of disposition should hold them in such a manner that they may be clearly identifiable when used for replacement. One method of satisfying this requirement is to place them in a bank account separate and distinct from the holder's general funds.

It should also be noted that the benefits of the Act would still be available when the proceeds of disposition were transferred to another owner using them for replacement in accordance with the terms of the Act. In such case the Commission's certificate would be granted to the original owner of the proceeds.

The Commission considers that this amendment to the Act, if passed by Parliament, would increase the encouragement which the Act already provides for building ships in Canada.

Operation of Canadian Vessel Construction Assistance Act

The capital cost determinations made by the Commission for the purpose of the Act since 1950 are summarized in Appendix G.

Under the heading, "All Types of Cargo Vessels", determinations for canal type vessels actually represented 64 per cent of the total. As these may be the last vessels built to comply with the dimensions of the St. Lawrence Canals, there is some satisfaction in being able to report that much larger ships are now being built; they will figure in future determinations.

The number and value of determinations with respect to dredges, scows and barges continue to increase, although the rate of increase of this group has slowed down. Actually the determinations for flat steel cargo barges have increased from twenty representing \$2,105,028.90 in 1955, to forty-four representing \$3,557,507.82 in 1956, but more than half of the latter figures cover the building of a number of barges for inland waters.

III. General

Subsidized Steamship Services

In accordance with the terms of the Canadian Maritime Commission Act, the Commission continued to administer steamship subventions voted by Parliament.

During the fiscal year 1956-57 subventions were paid for coastal or inland services only.

The coastal services for which subventions were paid were made up of one service covering four routes on the Pacific Coast, two on the Great Lakes and twenty-five on the East Coast including the River and Gulf of St. Lawrence and the services of the Canadian National Railways vessels operating ten different routes on the coasts of Newfoundland and Labrador.

The Commission's inspectors examined all services and carried out surveys of the areas involved to verify the continuing need to maintain these services.

During the year one additional service was authorized between Charlottetown, P.E.I. and St. John's, Newfoundland, for the carriage of freight only. This service had been subsidized up to the year 1949 but since that time had been operated under the auspices of the Provincial Government of Prince Edward Island.

The *Lord Selkirk*, a vessel of sixty vehicle capacity building for the Wood Islands, P.E.I. and Caribou, N.S. ferry service, was launched in November 1956 and is expected to be ready for service in 1957.

Two applications for subsidy assistance to new services were received, one was refused and the other was the Prince Edward Island-Newfoundland service mentioned above.

Three applications for increased subsidy amounts to extend present services were received, one was refused and two were held in abeyance for further study.

Substantial increases in operating costs resulted in large increases in subsidy for the Newfoundland Coastal Services and for the Vancouver and Northern British Columbia Services.

Total net subsidies paid during the year amounted to \$4,809,793.

The provincial and interprovincial distribution of subsidy payments was as follows:

Interprovincial Services

between Quebec, Prince Edward Island and Nova Scotia....	\$ 120,000
" Nova Scotia and Prince Edward Island.....	163,000
" Nova Scotia and New Brunswick.....	33,000
" New Brunswick and Quebec.....	59,000
" Prince Edward Island and Newfoundland.....	80,000

Provincial Services

British Columbia.....	562,000
New Brunswick.....	103,600
Newfoundland.....	2,501,038
Nova Scotia.....	207,400
Ontario.....	137,755
Quebec.....	843,000

Total.....	<u>\$4,809,793</u>
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The total figure represents the net payment after recapture of subsidy on two services:

Owen Sound, Manitoulin Island and Georgian Bay.....	\$ 4,745
Prescott, Ontario and Ogdensburg, N.Y.....	\$ 15,000

Since the contract was negotiated in 1951, the total subsidies paid for the Prescott and Ogdensburg service have been refunded.

Park Steamship Company Limited

This Company is no longer active although the Charter is still in force; there are occasional claims of an insurance nature which are handled by the staff of the Commission.

While the Company has no salaried employees its basic structure is being maintained and it could be quickly expanded should the need arise.

North Atlantic Treaty Organization

Two meetings of the North Atlantic Treaty Organization Planning Board for Ocean Shipping were held during the period under review; the Seventh Meeting in London in April, 1956, and the Eighth Meeting in Washington in October, 1956. As usual the Chairman of the Commission acted as Head of the Canadian Delegation; the Commission continues to be the agency responsible for the co-ordination of North Atlantic Treaty Organization shipping planning in Canada.

Inter-Governmental Maritime Consultative Organization (I.M.C.O.)

The coming into being of this Organization remains in abeyance awaiting the ratification of the Convention by two more countries. The long delay in setting up I.M.C.O. is particularly unfortunate from the point of view of marine safety: the safety committee of the organization was intended to be the United Nations Agency for the administration of the International Convention for the Safety of Life

at Sea 1948; hitherto this has been dealt with on an ad hoc basis. Other important international maritime matters such as tonnage measurement also await the setting up of the organization.

Degaussing and Stiffening of Merchant Ships

The Commission continues to co-ordinate this work. The majority of important Canadian coastal ships having been fitted with degaussing, this work is becoming almost entirely confined to fitting ships building for Canadian registry and the carrying out of any necessary maintenance on ships already fitted.

During the year seven ships were commenced and four other ships were completed.

Military Movements

The Commission has continued to act as the co-ordinating agency for the shipping movement overseas of armed services personnel and military cargo.

As in previous years personnel movements have been primarily the transportation of troops and their dependents to and from Western Europe. The allocation of shipping space for mutual aid cargoes to allied countries is also supervised by the Commission.

Coasting Laws of Canada

The Commission continues to advise the Department of National Revenue upon applications for the waiving of the Coasting Laws to permit temporary operation of foreign-flag or foreign-built ships in the Canadian Coasting Trade. Before suggesting that any approvals be given, every effort is made to make sure that no qualified ship suitable for the required service is available.

The Commission

It is with great regret that the sudden death of Mr. Angus McGugan, on July 7, 1956, is recorded in this Report. No successor has yet been appointed.

The Staff of the Commission on March 31, 1957, numbered twenty-three whose annual salaries, together with salaries paid to Members of the Commission amount to \$123,330.52.

Dated at Ottawa the 10th day of June 1957.

L. C. AUDETTE,
Chairman.

Appendix A

CANADIAN MERCHANT FLEET
at March 31, 1957DISTRIBUTION BY TONNAGE GROUPS ACCORDING TO COUNTRY OF ORIGINAL CONSTRUCTION
(Self-propelled ships of 200 Gross Tons and over, excluding non-commercial vessels, tugs, ferries and the fishing fleet)

Country of Build	200-499 G.T.		500-999 G.T.		1,000-1,999 G.T.		2,000-4,999 G.T.		5,000-9,999 G.T.		10,000 G.T. and over		Totals across	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons
Canada.....	54	17,746	10	6,460	37	61,221	48	120,977	28	203,415	18	238,447	195	648,266
United Kingdom.....	11	4,031	14	10,898	94	166,928	47	117,585	7	40,702	—	—	173	340,144
United States of America	9	2,996	14	9,761	18	29,425	40	158,323	10	59,620	5	53,320	96	313,445
Other Foreign Countries.	2	861	3	2,045	4	5,532	2	5,664	—	—	—	—	11	14,102
Totals down.....	76	25,634	41	29,164	153	263,106	137	402,549	45	303,737	23	291,767	475	1,315,957

Appendix C

LINER SERVICES FROM CANADA, 1956

Service	Number and Nationality of Lines	Average Sailings per Month
St. Lawrence and Atlantic Ports to the United Kingdom and Eire.....	10 British 1 Greek 2 Canadian* 1 Irish 1 Dutch 1 Italian 1 German 1 Swiss	37
St. Lawrence and Atlantic Ports to North and North West Europe.....	2 British 1 Italian 2 Canadian* 3 Norwegian 2 Dutch 1 Norwegian/Dutch 4 German 1 Swedish 1 Greek 1 Swiss	20
Great Lakes Ports to the United Kingdom..	2 British 1 Norwegian/Dutch 1 Norwegian 2 Swedish	9
Great Lakes Ports to North and North West Europe.....	1 Dutch 1 Norwegian/Dutch 1 Finnish 3 Swedish 2 German 1 Swedish/French 1 Norwegian	28
Pacific Coast Ports to United Kingdom and North and North West Europe.....	1 American 1 German 2 British 1 German/Finnish 1 British/Dutch 2 Japanese 1 Canadian* 2 Norwegian 1 Danish 1 Swedish 1 French	18
St. Lawrence and Atlantic Ports to the Mediterranean.....	1 British/German/Egyptian 1 Canadian* 1 French 1 Italian	3
Great Lakes Ports to the Mediterranean....	1 British/French 1 Canadian*/Italian 1 Scandinavian/Dutch	6
Pacific Coast Ports to the Mediterranean..	1 Italian	1
St. Lawrence and Atlantic Ports to the Caribbean.....	1 American 1 Swedish 2 Canadian* 1 Venezuelan 1 Colombian/Ecuadorean	17
Great Lakes Ports to the Caribbean.....	1 German 1 Canadian*	2
Pacific Coast Ports to the Caribbean.....	1 American 2 Japanese 2 Canadian* 1 Panamanian	4
St. Lawrence and Atlantic Ports to West, South and East Africa.....	1 British 1 Norwegian	2

* Most Canadian lines chartered non-Canadian ships to furnish or to augment the cargo liner service.

LINER SERVICES FROM CANADA, 1956—*Concluded*

Service	Number and Nationality of Lines		Average Sailings per Month
Pacific Coast Ports to West, South and East Africa.....	1 Dutch/Norwegian 1 Japanese		2
St. Lawrence and Atlantic Ports to India and Persian Gulf.....	1 British		1
Pacific Coast Ports to India and Persian Gulf.....	1 Dutch/Norwegian		2
St. Lawrence and Atlantic Ports to the East Coast of South America.....	2 American		3
Pacific Coast Ports to the West Coast of South America.....	1 American 1 Chilean 1 Colombian/Ecuadorean	1 Japanese 1 Norwegian**	6
Pacific Coast Ports to the East Coast of South America.....	2 American 1 Japanese		2
St. Lawrence and Atlantic Ports to Australia and New Zealand.....	1 British		2
Pacific Coast Ports to Australia and New Zealand.....	1 American 1 British	1 Swedish 1 New Zealand	3
St. Lawrence and Atlantic Ports to the Far East.....	2 British 1 Danish	1 Dutch	5
Pacific Coast Ports to the Far East.....	3 American 1 Japanese	2 Norwegian 1 Norwegian/ Swedish	12
Pacific Coast Ports to the Hawaiian Islands	1 American		1
Pacific Coast Ports to the South Sea Islands	1 Norwegian		Approx. every 2 months
Pacific Coast Ports to California.....	1 Norwegian		2
Round the World from Atlantic Ports.....	1 American		1 westbound per month, 3 trips eastbound during the year.

** (and via Straits of Magellan to the East Coast of South America)

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1956

Shipyard and Name of Vessel	Type of Vessel	Power Plant	Gross Tons	Name of Owner
YARROWS LIMITED				
<i>V. T. No. 54</i>	Steel Barge.....	Non-prop.....	582	Vancouver Tug Boat Co. Ltd.
<i>V. T. No. 55</i>	Steel Barge.....	Non-prop.....	583	Vancouver Tug Boat Co. Ltd.
<i>Radium Prospector</i>	Steel Tug.....	560 b.h.p. T/S Diesel.....	199	Northern Transportation Co. Ltd.
<i>Radium Miner</i>	Steel Tug.....	560 b.h.p. T/S Diesel.....	200	Northern Transportation Co. Ltd.
<i>Radium Trader</i>	Steel Tug.....	560 b.h.p. T/S Diesel.....	200	Northern Transportation Co. Ltd.
<i>Gilley No. 39</i>	Steel Barge.....	Non-prop.....	568	Gilley Bros. Ltd.
<i>Island Tug 57</i>	Steel Barge.....	Non-prop.....	543	Island Tug & Barge Co. Ltd.
<i>Island Tug 58</i>	Steel Barge.....	Non-prop.....	543	Island Tug & Barge Co. Ltd.
<i>Island Tug 59</i>	Steel Barge.....	Non-prop.....	543	Island Tug & Barge Co. Ltd.
<i>Island Tug 60</i>	Steel Barge.....	Non-prop.....	582	Island Tug & Barge Co. Ltd.
<i>Straits No. 27</i>	Steel Barge.....	Non-prop.....	504	Straits Towing Ltd.
<i>Straits No. 29</i>	Steel Barge.....	Non-prop.....	504	Straits Towing Ltd.
VICTORIA MACHINERY DEPOT CO. LTD.				
<i>Y. T. C. 107</i>	Steel Barge.....	Non-prop.....	293	Yellowknife Transportation Co. Ltd.
<i>Marjory H. II</i>	Steel Tug.....	1,000 b.h.p. T/S Diesel.....	86	Yellowknife Transportation Co. Ltd.
<i>Mill Bay</i>	Auto-pass Ferry.....	152 b.h.p. S/S Diesel.....	175	Coast Ferries Ltd.
BURRARD DRY DOCK CO. LTD.				
<i>V. T. No. 57</i>	Steel Barge.....	Non-prop.....	1,055	Vancouver Tug Boat Co. Ltd.
<i>V. T. No. 58</i>	Steel Barge.....	Non-prop.....	1,056	Vancouver Tug Boat Co. Ltd.
<i>Island Tug 55</i>	Steel Scow.....	Non-prop.....	545	Island Tug & Barge Co. Ltd.
<i>Island Tug 56</i>	Steel Scow.....	Non-prop.....	544	Island Tug & Barge Co. Ltd.
<i>H.B.C. Barge No. 260</i>	Steel Scow.....	Non-prop.....	216	Hudson's Bay Company
<i>H.B.C. Barge No. 261</i>	Steel Scow.....	Non-prop.....	216	Hudson's Bay Company
<i>H. No. 1</i>	Steel Scow.....	Non-prop.....	595	Canadian Forest Products Ltd.
<i>H. No. 2</i>	Steel Scow.....	Non-prop.....	593	Canadian Forest Products Ltd.
<i>V. T. No. 56</i>	Steel Barge.....	Non-prop.....	922	Vancouver Lightage & Salvage Co. Ltd.
<i>Sir James Douglas</i>	Lighthouse Tender.....	1,140 b.h.p. T/S Diesel.....	564	Dept. of Transport

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1956—*Concluded*

Shipyard and Name of Vessel	Type of Vessel	Power Plant	Gross Tons	Name of Owner
THE COLLINGWOOD SHIPYARDS LTD.				
<i>Mc Nco No. 21</i>	Steel Scow.....	Non-prop.....	319	McNamara Construction Co. Ltd.
<i>Mc Nco No. 22</i>	Steel Scow.....	Non-prop.....	319	McNamara Construction Co. Ltd.
<i>Montclair</i>	Ocean-going Dry Cargo.....	1,500 b.h.p. S/S Diesel.....	1,008	Montship Lines Ltd.
<i>Sarniadoc</i>	Canal-size Freighter.....	1,280 s.h.p. S/S Diesel.....	2,290	N. M. Paterson & Sons Ltd.
<i>Calgadoc</i>	Canal-size Freighter.....	1,280 s.h.p. S/S Diesel.....	2,293	N. M. Paterson & Sons Ltd.
PORT WELLER DRY DOCK CO. LTD.				
<i>Teumseh</i>	Canal-size Freighter.....	1,600 b.h.p. S/S Diesel.....	2,293	Upper Lake & St. Lawrence Transportation Co. Ltd.
<i>Mc Nco No. 23</i>	Steel Scow.....	Non-prop.....	219	McNamara Construction Co. Ltd.
<i>Mc Nco No. 24</i>	Steel Scow.....	Non-prop.....	219	McNamara Construction Co. Ltd.
<i>Mc Nco No. 25</i>	Steel Scow.....	Non-prop.....	219	McNamara Construction Co. Ltd.
CANADIAN VICKERS LIMITED				
<i>Canvik No. 1</i>	Steel Tug.....	300 b.h.p. T/S Diesel.....	23	Canadian Vickers Ltd.
<i>Cape No. 2</i>	Steel Barge.....	Non-prop.....	288	E. G. M. Cape & Co. Ltd.
<i>Hamilton 56</i>	Steel Barge.....	Non-prop.....	695	J. P. Porter Co. Ltd.
<i>H.M.C.S. Ottawa</i>	Escort Vessel.....	T/S Turbine.....	—	Royal Canadian Navy
<i>Baffin</i>	Hydrographic Survey Vessel	8,000 s.h.p. T/S Diesel.....	3,460	Dept. of Mines & Technical Surveys
MARINE INDUSTRIES LIMITED				
<i>Manseau No. 102</i>	Dipper Dredge.....	Non-prop.....	1,334	Marine Industries Ltd.
<i>S.M.L. No. 1</i>	Steel Scow.....	Non-prop.....	402	Marine Industries Ltd.
<i>S.M.L. No. 2</i>	Steel Scow.....	Non-prop.....	402	Marine Industries Ltd.
<i>Oka No. 12</i>	Steel Scow.....	Non-prop.....	521	Oka Sand & Gravel Co. Ltd.
<i>Oka No. 14</i>	Steel Scow.....	Non-prop.....	521	Oka Sand & Gravel Co. Ltd.
<i>Oka No. 15</i>	Steel Scow.....	Non-prop.....	521	Oka Sand & Gravel Co. Ltd.
<i>Y.S.F. 219</i>	Ammunition Lighter.....	T/S Diesel.....	—	Royal Canadian Navy
<i>Y.S.F. 220</i>	Ammunition Lighter.....	T/S Diesel.....	—	Royal Canadian Navy
<i>H.M.C.S. Assiniboine</i>	Escort Vessel.....	T/S Turbine.....	—	Royal Canadian Navy

DAVIE SHIPBUILDING LIMITED	<i>Robert B.</i>	Steel Tug.....	1,200 b.h.p. S/S Diesel.....	197	Davie Shipbuilding Ltd. Canada Steamship Lines Ltd. Foundation Co. of Canada Ltd. Royal Canadian Navy
	<i>Metis</i>	Canal-size Freighter.....	1,280 b.h.p. S/S Diesel.....	2,332	
	<i>Foundation Victor</i>	Steel Tug.....	1,200 b.h.p. S/S Diesel.....	244	
	<i>H.M.C.S. Fundy</i>	Minesweeper.....	T/S Diesel.....	—	
GEO T. DAVIE & SONS LTD.	<i>Lightship No. 1 (Sambro)</i>	Lighthouse Tender.....	480 b.h.p. S/S Diesel.....	527	Dept of Transport Royal Canadian Navy
	<i>C.N.A.V. St John</i>	Modified Norton Tug.....	S/S Diesel.....	—	
HALIFAX SHIPYARDS LIMITED	<i>H.M.C.S. Saguenay</i>	Escort Vessel.....	T/S Turbine.....	—	Royal Canadian Navy
FERGUSON INDUSTRIES LIMITED	<i>Rebecca W</i>	Suction Dredge.....	Non-prop.....	23	Maritime Dredging Co. Ltd. Abitibi Power & Paper Co. Ltd.
	<i>The Mission Queen</i>	Barge.....	Non-prop.....	25	
LUNENBURG FOUNDRY & ENGINEERING LTD.	<i>Prima Vista</i>	Work Boat.....	210 b.h.p. S/S Diesel.....	64	Dept. of Transport Dept. of Transport Adams & Knickle Ltd.
	<i>Pilot Boat No. 5</i>	Pilot Boat.....	180 b.h.p. S/S Diesel.....	19	
	<i>Nancy Eileen</i>	Fishing Trawler.....	435 b.h.p. S/S Diesel.....	129	

Appendix E

VALUE OF SHIPS DELIVERED AND OF REPAIRS AND CONVERSIONS CARRIED OUT IN CANADIAN SHIPYARDS, 1949-1956

Shipbuilding Area	1949	1950	1951	1952	1953	1954	1955	1956
	\$	\$	\$	\$	\$	\$	\$	\$
PACIFIC COAST								
Shipbuilding.....	5,114,021	1,502,800	601,001	3,021,670	287,835	14,020,684	2,470,000	3,765,960
Repairs and Conversions.....	5,520,142	3,653,624	6,603,553	7,217,901	7,335,846	5,037,300	8,138,654	9,465,965
	10,634,163	5,156,424	7,204,554	10,239,571	7,623,681	19,057,984	10,608,654	13,231,925
GREAT LAKES								
Shipbuilding.....	5,210,996	7,025,000	8,256,600	31,075,024	3,502,850	32,514,789	6,643,600	3,951,600
Repairs and Conversions.....	4,310,629	3,086,631	4,636,319	4,679,525	5,926,099	5,276,251	2,895,745	3,975,387
	9,521,625	10,111,631	12,892,919	35,754,549	9,428,949	37,791,040	9,539,345	7,926,987
St. LAWRENCE								
Shipbuilding.....	21,360,807	10,371,383	4,047,053	6,282,390	40,325,000	38,689,200	37,783,150	48,100,400
Repairs and Conversions.....	2,970,850	5,388,538	7,345,077	14,717,394	21,254,741	14,108,262	7,898,312	10,377,731
	24,331,657	16,759,921	11,392,130	20,999,784	61,579,741	52,797,462	45,681,462	58,478,131
ATLANTIC COAST								
Shipbuilding.....	55,000	7,381,970	.....	1,604,250	300,000	7,950,000	370,000	17,916,000
Repairs and Conversions.....	5,230,875	5,001,402	5,750,231	11,147,247	16,570,462	13,722,715	8,107,094	6,021,147
	5,285,875	12,383,372	5,750,231	12,751,497	16,870,462	21,672,715	8,477,094	23,937,147
SUMMARY								
Shipbuilding.....	31,740,824	26,281,153	12,904,654	41,982,334	44,415,685	93,174,673	46,266,750	73,733,960
Repairs and Conversions.....	18,032,496	17,130,195	24,335,180	37,762,067	51,097,148	38,144,528	27,039,805	29,840,230
	49,773,320	43,411,348	37,239,834	79,744,401	95,512,833	131,319,201	73,305,555	103,574,190

PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1957

Name of Shipyard	Name of Ship	Type	Power Plant	Estimated D.W.T.	Name of Owner
Burrard Dry Dock Co. Ltd.	<i>Hull Nos. 298 and 299</i>	Self-unloading Steel Barges	Non-prop.....	4,500 ea.	Straits Towing Ltd.
	<i>Hull Nos. 300 and 301</i>	Self-unloading Steel Barges	Non-prop.....	4,500 ea.	Crown Zellerbach Canada Ltd.
	<i>Hull No. 302</i>	Derrick Scow	Non-prop.....	.....	Crown Zellerbach Canada Ltd.
	<i>Hull No. 303</i>	Steel Scow	Non-prop.....	3,000	Crown Zellerbach Canada Ltd.
Victoria Machinery Depot Co. Ltd.	<i>Y.T.C. No. 51</i>	Steel Scow	Non-prop.....	800	Yellowknife Transportation Co. Ltd.
Yarrows Limited	.....	Steel Barge	Non-prop.....	2,500	Lorne & Dennis Yorke
	.....	Self-unloading Steel Barge	Non-prop.....	900	Gilley Bros. Ltd.
Port Arthur Shipbuilding Co. Ltd.	<i>Hull No. 119</i>	Icebreaker, Supply and Buoy Vessel	1,775 b.h.p. T/S Diesel.....	900	Dept. of Transport
The Collingwood Shipyards Ltd.	<i>Nipigon</i> (Major Conversion)	Bulk Freighter	4,500 s.h.p. Steam Turbine..	22,000	Canada Steamship Lines Ltd.
	<i>Hull No. 159</i>	Bulk Freighter	4,400 s.h.p. Steam Turbine..	15,250	N. M. Paterson & Sons Ltd.
	<i>Hull No. 160</i>	Package Freighter	5,500 s.h.p. Steam Turbine..	8,450	Canada Steamship Lines Ltd.
	<i>Hull No. 161</i>	Ocean-going Oil Tanker	2,560 b.h.p. Diesel.....	6,200	Imperial Oil Ltd.
	<i>Hull No. 163</i>	Bulk Freighter	8,500 s.h.p. Steam Turbine..	24,800	Canada Steamship Lines Ltd.
Port Weller Dry Docks Ltd.	<i>Hull No. 24</i>	Bulk Freighter	7,500 s.h.p. Steam Turbine..	22,000	Port Weller Dry Docks Ltd.
Kingston Shipyards Ltd.	<i>Hull No. 61</i>	Dredge	Non-prop.....	575	C. A. Pitts Co. Ltd.
	<i>Hull No. 62</i>	Patrol Vessel	5,000 b.h.p. T/S Diesel.....	.....	R.C.M.P.
Canadian Vickers Ltd.	<i>Alexander T. Wood</i>	Ocean-going Ore Carrier	Nordberg Diesel.....	20,350	Westriver Ore Transports Ltd.
	<i>Avery C. Adams</i>	Ocean-going Ore Carrier	Werkspoor Diesel.....	20,350	Wilson Shipping Corporation Ltd.
Marine Industries Ltd.	<i>Hull No. 237</i>	Auto-pass. Ferry	880 h.p. Diesel.....	200	La Cie de la Traverse du St. Laurent
	<i>Hull No. 238</i>	Ocean-going Oil Tanker	3,200 h.p. Diesel.....	6,000	Branch Lines Ltd.
	<i>Hull No. 239</i>	Research Trawler	1,100 h.p. Diesel.....	250	Dept. of Fisheries
	<i>Hull No. 240</i>	Tug	800 h.p. Diesel.....	.....	Sinconnes McNaughton Co. Ltd.
Davie Shipbuilding Ltd.	<i>Hull No. 697</i>	Lighthouse Tender and Buoy Vessel	1,200 b.h.p. T/S Diesel....	330	Dept. of Transport
	<i>Hull Nos 611 and 615</i>	Canallers	1,360 b.h.p. T/S Diesel....	3,872 ea.	Hall Corporation of Canada Ltd.
	<i>Hull No. 613</i>	Ocean-going Ore Carrier	8,000 s.h.p. Steam Turbine..	15,700	Spruce Shipping Ltd.
	<i>Hull No. 614</i>	Icebreaker, Supply and Buoy Vessel	4,250 s.h.p. T/S Diesel....	1,000	Dept. of Transport
	<i>Hull No. 616</i>	Ocean going Oil Tanker	16,000 s.h.p. Steam Turbine	40,000	Federal Tankers Ltd.
	<i>Hull No. 619</i>	Ocean-going Oil Tanker	16,000 s.h.p. Steam Turbine	40,000	Papachristidis Co. Ltd.

PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1957—*Concluded*

Name of Shipyard	Name of Ship	Type	Power Plant	Estimated D.W.T.	Name of Owner
Geo. T. Davie & Sons Ltd.....	<i>Fundy</i> <i>Mont St. Martin</i> <i>R.C.M.P. Wood</i>	Dipper Dredge Cargo Vessel Patrol Vessel	Non-prop..... 640 b.h.p. S/S Diesel..... 2,666 b.h.p. S/S Diesel.....	..... 800	J. P. Porter Co. Ltd. Capt. J. A. Z. Desgagné R.C.M.P.
Ferguson Industries Ltd.....	<i>Lord Selkirk</i>	Auto-pass Ferry	2,500 b.h.p. T /S Diesel.....	.....	Dept. of Transport
Lunenburg Foundry & Engineering Ltd.....	<i>Cape Roseway</i> <i>Nokomis</i>	Fishing Vessel Workboat	600 h.p. Diesel..... 210 h.p. Diesel.....	135 20	Lunenburg Trawlers Ltd. Dept. of Transport

Appendix G

CAPITAL COST DETERMINATIONS MADE WITH RESPECT TO VOLUNTARY APPLICATIONS FOR THE BENEFITS OF CLAUSE 3 OF THE CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT

Fiscal Year	DETERMINATIONS WITH RESPECT TO NEW CONSTRUCTION								DETERMINATIONS WITH RESPECT TO CONVERSIONS AND MAJOR ALTERATIONS	
	All Types of Cargo Vessels			Dredges, Scows and Barges		Tugs, Fishing Vessels, Ferries, Etc.		Total Determinations		
	No.	Value	No.	Value	No.	Value	No.	Value		
		\$		\$		\$		\$		
1950.....	1	3,136,716.19	2	153,729.23	1	57,865.54	4	3,348,310.96	17	1,468,496.33
1951.....	6	9,127,824.52	6	251,115.88	11	1,177,791.17	23	10,556,731.57	16	1,113,820.56
1952.....	14	26,541,152.70	10	507,509.79	12	1,060,349.26	36	28,109,011.75	21	4,387,848.89
1953.....	8	18,841,346.88	19	987,490.10	41	1,026,306.06	68	20,855,143.04	17	3,213,387.25
1954.....	9	14,516,710.26	21	2,007,693.09	19	1,192,126.38	49	17,716,529.73	19	4,053,255.33
1955.....	9	2,795,475.19	37	3,532,817.18	16	1,310,892.58	62	7,639,184.95	10	2,390,890.59
1956.....	15	12,344,718.98	54	4,424,785.07	26	1,249,511.89	95	18,019,015.94	15	2,158,084.16

NOTE: The above capital cost determinations include some determinations for each fiscal year a vessel is under construction, therefore the number of determinations does not indicate the number of vessels built or altered.

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ELEVENTH REPORT
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JUNE 24, 1958

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ELEVENTH REPORT

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JUNE 24, 1958

SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

Price 15 cents. Cat. No. TM1-58

The Honourable GEORGE HEES, P.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act, 1947, I have the honour to submit herewith the eleventh report of the Canadian Maritime Commission, covering the period between April 1, 1957, and March 31, 1958.

I have the honour to be Sir,

Your obedient servant,

L. C. AUDETTE,

Chairman.

OTTAWA,
June 24, 1958.

CANADIAN MERCHANT FLEET
(Ships of 1,000 Gross Tons and Over)

	March 31, 1957		March 31, 1958	
	No.	Gross Tons	No.	Gross Tons
<i>Ocean-going Ships in Foreign Trade</i>				
War-built cargo ships				
10,000 Tonners.....	5	35,872	4	28,710
4,700 Tonners.....	6	17,650	1	2,894
Passenger ships.....	—	—	—	—
Diesel cargo ships.....	3	20,236	—	—
Other cargo ships.....	4	16,155	4	16,155
	18	89,913	9	47,759
Tankers.....	8	96,252	8	96,252
	26	186,165	17	144,011
<i>Ships in Coasting Trade</i>				
War-built cargo ships				
10,000 Tonners.....	—	—	—	—
4,700 Tonners.....	—	—	—	—
Other passenger and dry cargo ships.....	55	167,732	52	162,206
	55	167,732	52	162,206
Tankers.....	7	17,352	8	19,843
	62	185,084	60	182,049
<i>Lakes and St. Lawrence Canallers</i>				
Dry-cargo ships.....	157	312,154	154	306,351
Tankers.....	37	71,969	39	76,187
	194	384,123	193	382,538
<i>Upper Lakers</i>				
Dry-cargo and passenger ships.....	74	480,554	75	490,512
Tankers.....	2	25,233	3	29,766
	76	505,787	78	520,278
SUMMARY				
Dry-cargo and passenger ships.....	304	1,050,353	290	1,006,828
Tankers.....	54	210,806	58	222,048
	358	1,261,159	348	1,228,876

SHIPS UNDER UNITED KINGDOM REGISTRY

Retained under U.K. Registry.....	35	249,710	24	171,233
Transferred to U.K. Registry.....	43	318,027	37	268,782
Supply ships, on loan.....	5	36,382	5	36,382
	83	604,119	66	476,397

ELEVENTH ANNUAL REPORT

I. Shipping

This report covers the period from April 1, 1957, to March 31, 1958.

The comparatively substantial reduction of nine ships in the Canadian-flag ocean-going fleet shown on the opposite page was due to the transfer from Canadian registry of the three diesels and five forty-seven hundred tonners which comprised the Canadian National (West Indies) fleet, and the sale to foreign flag of the ten-thousand tonner *Point Aconi*.

The domestic fleet also decreased by one vessel in the over-all total. By areas of service, the changes are as follows: In coastwise trading, the west coast fleet was depleted by two when the *Chilcotin* and *Chilkoot* were delivered to foreign buyers and the east coast fleet lost one dry cargo vessel but gained a tanker when the *Irvingwood* completed her conversion in July. Of the canallers, two old timers, the *Walter Inkster* and the *Starbuck*, both over sixty years old, have been scrapped. Two post-war dry cargo vessels, the *Leecliffe Hall* and the *Northcliffe Hall*, were converted to tankers and the newly-built bulk carrier *Coniscliffe Hall* was registered in July. In the upper lakes, two new buildings went into service, the bulk freighter *Senator of Canada* and the tanker *Imperial Quebec*.

Twenty of the vessels on United Kingdom registry under the transfer plan were sold to foreign buyers; one was replaced by the *Gloucester City* of more recent construction; a new acquisition—*Lake Burnaby*—was added, as well as *Sunrip*, when it recently acquired the same status as those under "transfer plan" registry. The *Montrose*, while under the limits of the "1000 gross tons and over" caption, is considered, for all practical purposes, to belong to this group and is included here for the first time.

Vessels of the merchant fleet 200 gross tons and over are included in Appendix A, distributed according to size and country of original construction.

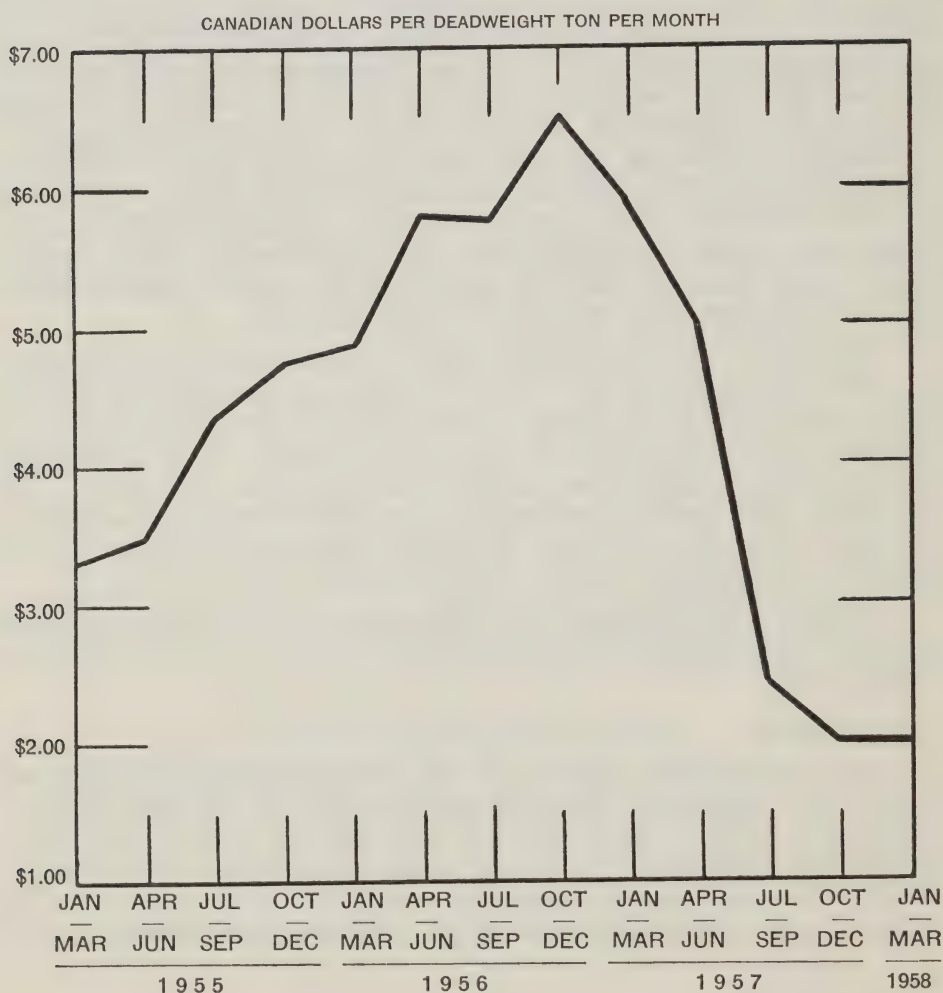
Freight Rates

The outstanding feature of the freight market in the year covered by this report was a sharp decline from the peak rates of December, 1956. The extent of the drop in rates is illustrated graphically on page 6 for cargo steamers fixed on time charter. Reasons for the freight market recession are to be found in the relaxation of political tension in the Middle East leading to the

resumption of normal navigation through the Suez Canal, a large increase in the supply of world shipping coupled with a shrinking demand for tonnage in the transatlantic coal trade, and the decelerated pace of world commerce in general. The supply of world shipping at mid-year reached 110.2 million gross tons, an increase of 5 million gross tons over the previous year's total. At the level of rates prevailing at the close of 1957, owners of standard war-built tonnage had to choose between laying their ships up or operating them at a loss, and many have chosen the first course. In the circumstances, the value of former "Park" and "Liberty" ships fell nominally to about $\frac{1}{2}$ million dollars compared with $1\frac{1}{2}$ million dollars at the end of 1956.

TIME CHARTER RATES FOR 10,000-TON OIL-BURNING STEAMERS FOR PERIODS OF NOT LESS THAN THREE MONTHS AND NOT MORE THAN EIGHT MONTHS

(Three-month averages)



No further change has been announced in eastbound transatlantic liner freight rates to the United Kingdom, the Continent, and the Mediterranean region since the general advance of 10 per cent which took effect with the opening of the 1957 St. Lawrence River navigation season.

Tanker freight rates, like bulk dry cargo rates, fell precipitately in the first half of 1957 and remained depressed at the end of the year. The movement of the rate applicable to single voyages by black oil tankers operating from the Caribbean region to the east coast of North America is shown graphically on page 8.

Labour

The most serious labour disturbance affecting Canadian shipping in 1957 was a strike called by the Seafarers International Union against Canadian National (West Indies) Steamships on June 22. As no agreement could be reached on the Union's wage demands, the Company decided to close out the registry of its eight vessels in Canada and to transfer the fleet to Trinidad. Following the transfer some manning difficulties were encountered, as a result of which the vessels have remained idle in Halifax harbour. A strike which would have interrupted the Canadian National's Newfoundland Coastal Services early in the fall was avoided by prior settlement of the issues in dispute. A strike called by the S.I.U. temporarily halted the operations of Branch Lines' tankers in May and June. From November 4 to 19, a strike of pilots in the St. Lawrence-Kingston-Ottawa Pilotage District chiefly affected foreign-flag ships operating between the Great Lakes and Europe.

Canadian Ports

While Canadian ports generally did not reach the exceptionally good figures of 1956, normal activities were maintained. The grain loading in Vancouver was approximately 15 per cent better than in the previous year while the port of Churchill showed a slight increase of 2 per cent with two less regular sailings, shipping slightly better than 16½ million bushels.

Appendix B shows the flag participation in the carriage of Canada's overseas trade.

Replacement Plan

During the past year twenty vessels were sold under this plan resulting in a net deposit in escrow of \$19,823,000.

While the sales of a number of these vessels were contracted for during a high market period the depression in freight rates has since reduced the demand and the market price has dropped accordingly.

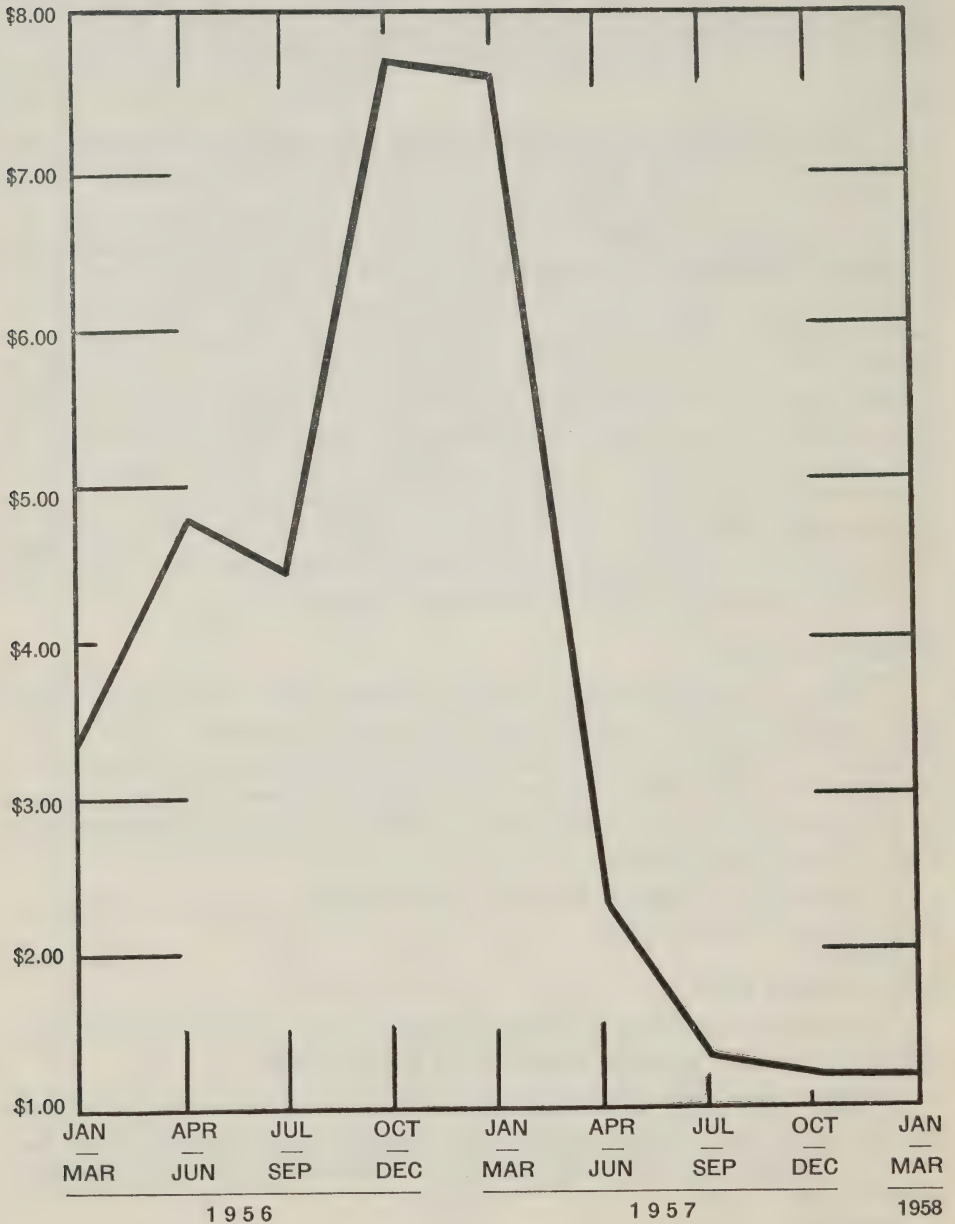
At the end of the fiscal year under review one hundred and forty-eight vessels had been delivered to new owners for a net total of \$97,483,000. Of this figure approximately \$54,600,000 has been

TANKER TRIP CHARTER RATES FOR BLACK OIL CARGOES

From Venezuela to Terminal of Portland-Montreal Pipeline at Portland, Maine

(Three-month averages)

CANADIAN DOLLARS PER TON



used toward the building of new ocean-going ships and approximately \$6,835,000 toward the acquisition or modernization of existing ships.

On March 31, 1958 there were nine ocean-going vessels building or on order in Canadian shipyards at an approximate aggregate value of \$48,000,000. It is anticipated that escrow funds will be used under the terms of the Replacement Plan to defray the major portion of the cost of this new construction. In addition there is one 12,650 d.w.t. dry-cargo vessel building in the United Kingdom.

In previous years the expenditure of escrowed monies for the building and modernization of Lake and Coastal vessels has been reported. This figure now amounts to \$30,412,000.

As at March 31, 1957 there remained a balance on deposit in escrow of \$4,548,000. Practically all of this is held by owners who are building replacement vessels in Canadian shipyards.

The Transfer Plan

Under this plan which is based upon an arrangement between the Canadian and United Kingdom governments, a vessel transferred may be returned to Canadian registry at the request of either government; the Canadian owner is permitted to receive in dollars the net profits earned by his ships and the ships will be considered as a Canadian contribution to any allied shipping pooling arrangement set up in an emergency.

On March 31, 1958 there were sixty-one vessels owned by Canadian companies but registered in the United Kingdom under this plan. The majority of these vessels carried the obligation to obtain the permission of the government before selling abroad; they are subject to the "Flag Covenant".

Some Canadian-owned ships not subject to the flag covenant have been included in this plan and in these circumstances the owners accept certain conditions under which inclusion in the arrangement is permitted.

All owners of vessels transferred under this plan are obliged to appoint a manager in the United Kingdom who is subject to the supervision and control of the Bank of England. The owner and manager must endeavour to secure dollar freights wherever possible.

Only three vessels were added to the list of ships operating under this plan during the year under review while twenty vessels were sold, making a net decrease of seventeen.

The amendment to the Canadian Vessel Construction Assistance Act passed by Parliament in December, 1957, contained an important modification directly affecting ships on the U.K. registry under the Transfer Plan. Hitherto, in order to obtain the depreciation benefits of the Act a ship had to be built or undergo major conversion in Canada and be registered in Canada.

The Act now allows the benefits to be obtained by a ship built or converted in Canada which is subsequently registered under conditions satisfactory to the Canadian Maritime Commission in any country or territory to which the British Commonwealth Merchant Shipping Agreement of December 10, 1931, applies.

This amendment, therefore, admits of a ship built or converted in Canada and registered in the United Kingdom registry under the Transfer Plan obtaining the depreciation benefits allowed by the Act.

Coasting Trade of Canada

Based on preliminary estimates, it appears that the volume of freight which moved in the coastwise trade during 1957 dropped considerably from the total for the previous twelve month period. The same condition is noted in the National Harbours Board report of seaport activities for the year and all bulk commodities reflected the same trend individually, except for coal shipments to St. Lawrence River ports which increased by more than 400 thousand tons and the ilmenite ore movement from Havre St. Pierre to Sorel which showed an increase of nearly 30 per cent.

The ratio of flag participation remained the same, however, with fifty-four Commonwealth-flag vessels, predominantly of United Kingdom register, again carrying about 14 per cent of the entire volume, although the actual tonnage decreased by roughly 380 thousand tons. Vessels permitted in the trade by virtue of temporary coastal law waivers apparently shared in less than 1 per cent of the season's tonnage.

Twenty Commonwealth vessels operated in coastal liner services, twenty-three were employed in carrying bulk cargoes exclusively and ten were in itinerant trades. Nine were part of the Canadian-owned fleet which operates on United Kingdom register under special transfer arrangements.

As in the previous year, United Kingdom-flag ships transported the entire bulk of iron ore from Seven Islands to Contrecoeur and all the ilmenite ore from Havre St. Pierre to Sorel. They alone carried fluorspar from St. Lawrence, Newfoundland, to Port Alfred and again were responsible for the major portion of the cargoes to and from northern waters. Ninety-three per cent of the Cape Breton coal movement to St. Lawrence River ports and 50 per cent of the Newfoundland coal shipments were in United Kingdom-flag bottoms as well as 98 per cent of the gypsum moving from Little Narrows to Montreal.

An analysis of the Commonwealth ships in the trade shows that twenty were over 5000 gross tons, sixteen were between 2000 and 5000 gross tons, twelve were between 1999 and 1000 gross tons and six were under 1000 gross tons.

The major commodities carried in the coasting trade during 1956 are as follows:

<i>Cargo</i>	<i>Short Tons 000's</i>	<i>%</i>
1. Grain.....	12,957.2	30.2
2. Petroleum Oils and Products.....	8,854.5	20.6
3. Iron Ore.....	4,334.7	10.1
4. Pulpwood and Pulpwood Chips.....	4,315.0	10.0
5. Logs, Piling, Posts, etc.....	1,885.5	4.4
6. Coal and Coke.....	1,582.6	3.7
7. Sand, Gravel and Stone.....	1,401.2	3.3
8. Industrial Minerals.....	837.7	2.0
9. Cement.....	675.6	1.6
10. Hogged Fuel.....	458.3	1.1
11. Limestone.....	358.1	.8
12. Gypsum.....	294.5	.7
13. Newsprint and Paper.....	268.3	.6
14. Iron and Steel Bar, etc.....	178.4	.4
15. Lumber and Timber.....	132.7	.3
16. All other cargo.....	4,388.4	10.2
	<u>42,922.7</u>	<u>100.0</u>

Direct Trade Between The Great Lakes and Overseas Ports

Six new services were added to the Commission's records during 1957 and one service was deleted for lack of information concerning its operating status, making a total of twenty steamship lines which operated regular ocean services to and from the Great Lakes.

One hundred and forty-one vessels of non-Canadian, non-United States registry, in tramp and liner services, were noted as having made four hundred and one trips to the Great Lakes from overseas ports during 1957.

The distribution of these vessels, according to flag, is as follows:

<i>Registry</i>	<i>Number of Ships</i>	<i>Number of Trips</i>
Danish.....	2	2
Dutch.....	17	45
Finnish.....	5	10
French.....	4	12
German.....	50	154
Italian.....	1	3
Norwegian.....	37	99
Panamanian.....	3	8
Swedish.....	13	37
United Kingdom.....	9	31
	<u>141</u>	<u>401</u>

(Not included in the above summary are the six United Kingdom-flag vessels regularly engaged in the Great Lakes/Newfoundland lines' services and two foreign-flag tankers each permitted to make a single coastal voyage on a waiver of the Canadian coastal law).

Shipping Records

Continuing as in recent years, freight market fixtures and indices have been maintained by the Economic Policy Branch of the Department of Transport.

Records of all self-propelled vessels 200 gross tons and over, with information as to ownership, employment and other statistical details are kept up to date in the Commission, as well as reference files on other related subjects of interest to or having effect upon the shipping industry.

The shipping services maintained from Canada during 1957 are shown in Appendix C.

II. Shipbuilding and Ship-Repairing

Shipbuilding

During 1957 the sixteen major shipyards delivered fifty-nine vessels, particulars of which are given in Appendix D. Thirty-five of these ships were built for commercial owners, seventeen for the Royal Canadian Navy, one for a Provincial Government and six for various departments of the Federal Government. The commercial vessels consisted mainly of barges and dredges but included one bulk freighter, one canaller and one ocean-going tanker. Three additional destroyer escorts were completed during the year, *H.M.C.S. Fraser*, *H.M.C.S. Margaree* and *H.M.C.S. Skeena*, acknowledged to be among the foremost warships of their type built anywhere in the world. The shipyards also completed delivery of five minesweepers: *H.M.C.S. Chaleur*, *H.M.C.S. Chignecto*, *H.M.C.S. Cowichan*, *H.M.C.S. Miramichi* and *H.M.C.S. Thunder*. Other units added to the Royal Canadian Navy comprised an ammunition lighter, four crane lighters, a power barge, a water boat and two ocean-going tugs: *C.N.A.V. St. Anthony* and *C.N.A.V. St. Charles*. Of the vessels built for departments of government other than National Defence, three were tugs or work boats, one was a patrol vessel for the R.C.M.P., one an icebreaker and one a lighthouse tender for service on the Atlantic Coast.

Vessels built in the four principal shipbuilding areas aggregated 43,897 gross tons, a figure which of course excludes all naval vessels. The total value of all ships delivered was approximately \$109,559,190. Compared with 1956 there was an increase of 32 per cent in the gross tonnage and a gain of 49 per cent in the dollar value of ships delivered, largely attributable to the increased number of naval ships delivered.

Ship-Repairing

In the ship-repairing branch of the industry the shipyards repaired, refitted or drydocked 1,935 merchant ships and 98 naval vessels. The total value of such work completed during 1957 amounted to \$33,130,734 divided among the four shipbuilding areas as shown below. Compared with 1956 this constitutes an increase of

	<i>Naval</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.	10	459	\$11,098,523
Great Lakes.	—	181	3,917,132
St. Lawrence.	4	566	9,373,341
Atlantic Coast.	84	729	8,741,738
	98	1,935	\$33,130,734

\$3,290,504 or 11 per cent. There was a substantial increase in the value of such work carried out in the Atlantic and Pacific Coast areas but in the St. Lawrence area there was a marked decline. The Great Lakes area showed no significant change.

For the purpose of comparison the value of ships delivered and of repairs and conversions carried out in Canadian shipyards from 1950 to 1957 is given in Appendix E.

Employment

The average monthly employment in the industry (sixteen yards reporting) was 14,985, an increase of approximately 8 per cent compared with 1956. As may be seen from the table given below, a considerable rise in the level of employment occurred in each of the Pacific Coast, Great Lakes and St. Lawrence areas. This improvement was unfortunately to some extent offset by a relatively slight decline in the Atlantic Coast area. Towards the end of 1957 the general level of employment fell appreciably, reaching its lowest point during the month of December, but the first three months of 1958 have witnessed a reversal of this trend.

The following table gives the average monthly employment figures in the principal shipbuilding areas during the period 1946-1957.

<i>Year</i>	<i>Number of Yards Reporting</i>	<i>Pacific Coast</i>	<i>Great Lakes</i>	<i>St. Lawrence</i>	<i>Atlantic Coast</i>	<i>Total</i>
1946	16	4,988	2,148	6,272	2,991	16,399
1947	16	4,119	1,485	8,874	2,657	17,135
1948	16	2,949	2,308	8,045	1,976	15,278
1949	16	1,496	2,168	4,230	1,937	9,831
1950	17	1,100	2,202	3,892	1,336	8,530
1951	19	2,080	2,803	5,237	1,913	12,033
1952	19	2,595	3,591	8,092	2,909	17,187
1953	20	2,547	3,082	10,490	3,511	19,630
1954	19	2,555	1,994	7,407	3,544	15,500
1955	17	2,566	1,267	5,448	3,151	12,432
1956	17	3,544	1,494	6,096	2,757	13,891
1957	16	4,000	1,929	6,520	2,536	14,985

Outlook

The estimated capital cost of all vessels in preparation or under construction as of March 31, 1958, amounted to \$255,519,500. This sum represents orders for seven naval escort vessels, twenty-three vessels for other government departments and thirty-seven merchant ships. Three of the naval vessels are scheduled for delivery during 1958, and the remaining four will be delivered during 1959. Particulars of the other government and merchant ships are given in Appendix F.

To the superficial observer the outlook for the industry would appear to be favourable. Not only is the value of shipbuilding now contracted for greater than it has been for some years past, but orders

for merchant ships form a greater proportion of the total. At the beginning of the year the Government placed substantial orders for ships to be operated by the Department of Transport; these orders were spread over a large number of shipyards and will benefit the whole industry. Moreover, employment has continued at a relatively high level despite the reduction in the amount of naval work in progress.

Nevertheless there are certain disquieting features of the present situation which ought not to be ignored. In the first place, the actual value of the work that now remains to be done on the naval escort vessels during 1958 and 1959 is only a small fraction of the amount indicated in the table given below. Secondly, almost all of the \$90 million worth of commercial shipbuilding now contracted for is concentrated in the Great Lakes and St. Lawrence areas. In the Pacific Coast area only a little more than one per cent of the shipbuilding in progress is for private commercial account, and in the Atlantic Coast area the percentage of such work is negligible.

The Commission feels that it is most undesirable that any shipyard should come to depend solely upon government shipbuilding or upon naval repairs and refits, and is therefore gratified to note that, in default of orders for commercial shipbuilding, a number of yards have taken various measures to diversify their activities. The following table gives the estimated value of the vessels in each category in preparation or under construction in the four shipbuilding areas:

	<i>Naval</i>	<i>Other Government</i>	<i>Merchant</i>	<i>Total</i>
Pacific Coast.....	\$53,000,000	\$7,360,000	\$848,500	\$61,208,500
Great Lakes.....	—	5,123,000	42,223,000	47,346,000
St. Lawrence.....	52,750,000	20,635,000	47,004,000	120,389,000
Atlantic Coast.....	17,000,000	9,436,000	140,000	26,576,000
Total.....	<u>\$122,750,000</u>	<u>\$ 42,554,000</u>	<u>\$ 90,215,500</u>	<u>\$255,519,500</u>

The Canadian Vessel Construction Assistance Act

Amendments to this Act were passed by Parliament in December, 1957. The effect of these amendments was to broaden the scope of the original Act in four respects.

One of the amendments has already been discussed in this report under the heading of the Transfer Plan. A ship built or converted in Canada can now obtain accelerated depreciation if it is operated in a Commonwealth registry under conditions satisfactory to the Maritime Commission. Previously a ship had to be of Canadian registry to fall within the provisions of the Act.

Under the terms of the original Act benefits could only be obtained by an owner "by or for" whom a ship was built or converted. Now the owner of any ship "in respect of the capital cost of which no

allowance has been made to any other taxpayer under this Act or the Income Tax Act" can obtain the benefits of the Act. This amendment makes possible what might be termed speculative building by a shipyard without loss of benefits to an owner who subsequently purchases a ship which was not laid down expressly for or by him provided, of course, that no allowance for the ship had been taken by the shipbuilder or any other taxpayer.

Under Section 4 of the original Act after a vessel of the class "in respect of which special depreciation, extra depreciation or allowances in lieu of depreciation had been allowed" had been sold and the proceeds of disposition had been used for replacement under conditions satisfactory to the Commission, the owner was permitted to escape the tax resulting from the proceeds of disposition being greater than the depreciated value of the vessel.

The impact of Section 4 has been very considerably broadened since it now applies to the proceeds from any vessel whatsoever that is sold by a taxpayer provided that these proceeds of disposition are used by any person, not necessarily the taxpayer, to finance or assist in financing the building of a replacement vessel, or vessels, in Canada.

Alternatively a taxpayer who disposes of a vessel may deposit with the Commission an amount at least equal to the tax resulting when the proceeds of sale of the vessel exceed its written-down value. This deposit, or satisfactory security therefor, may be held by the Commission for seven years. If, during that time, the depositor uses for work in a Canadian shipyard satisfactory to the Commission an amount equal to or greater than the proceeds of disposition on which the tax was calculated, then the amount of the deposit may be refunded to him. Alternatively, the depositor may assign his deposit to another person who is prepared to use an amount equal to or greater than the proceeds of disposition from which the amount of the tax deposit was derived. If amounts less than the proceeds of disposition are used, the amount of deposit refundable is pro-rated.

Another amendment of an administrative nature prevents the postponement of the advantage of Section 4 by permitting a taxpayer who sells one of several ships to which he has title, to isolate the ship which is sold from the prescribed class of which it formed a part.

This broad description of the modifications to the Act, as a result of the amending Act passed in December, 1957, is intended only as a general guide and not as any interpretation of the Act which should of course be consulted before making any application for its operation in a particular case. Experience in administering the Act has shown that early consultation with the Commission can often save considerable correspondence later.

Reproduced as Appendix H is an unofficial Consolidation of the Canadian Vessel Construction Assistance Act as it now stands.

It is emphasized that this consolidation is for purpose of information only; wherever the interpretation or application of the provisions of the Act is involved the official text should be consulted.

The value of the seventy-two capital cost determinations with respect to new vessels for the fiscal year ending March 31, 1958, as shown in Appendix G, is just over \$2½ million less than for the previous year, but the time lag associated with many applications for capital cost determinations make these figures an inaccurate gauge of shipbuilding and boatbuilding activities on a fiscal year basis.

A decrease of over \$5 million in the value of determinations with respect to the smaller canal size vessels more than accounts for the decrease in the total value of determinations under the heading "All Types of Cargo Vessels" compared with last year. A further breakdown of the vessels under the heading "Dredges, Scows and Barges" indicates that a steady increase in the value of determinations under this heading is attributable to expenditures on steel barges and scows; it is also noted that an increase in the value of determinations with respect to fishing vessels is largely responsible for the larger capital cost determinations under the heading "Tugs, Fishing Vessels, Ferries, etc" compared with last year.

While these figures indicate that the Act is of considerable help to owners of a larger assortment of vessels with respect to expenditures necessary for modern vessels better able to meet competition, it appears to the Commission that quite a number of owners, particularly the owners of a single small vessel, may not be aware of the benefits of the Act. Efforts are being made to correct this situation and at the same time inform as many as possible of the additional benefits to be derived from the recent amendments to the Act in the hope of stimulating further new construction.

III. General

Subsidized Steamship Services

In accordance with the terms of the Canadian Maritime Commission Act, the Commission continued to administer steamship subventions voted by Parliament.

During the fiscal year 1957-58, subventions were paid for coastal and inland services only.

The services for which subventions were paid were made up of one service on the Pacific Coast, reduced during the year from three routes in summer and two in winter to one route; two on the Great Lakes and twenty-six on the East Coast, including the River and Gulf of St. Lawrence and the services of the Canadian National Railways' vessels operating ten different routes on the coasts of Newfoundland and Labrador.

The Commission's inspectors examined all services and carried out surveys of the areas involved to ascertain the need for the continuance of present services and the essentiality of services for which subsidy assistance was requested.

During the year, one additional service was authorized between Sorel and Ile St-Ignace, Que., a passenger and vehicle ferry. This service has been in continuous operation for many years, except for periods in winter when an ice bridge formed, and communication between the North and South Shores was maintained by a road across the ice. To prevent ice jams and consequent flooding at Montreal, the St. Lawrence River channel from Sorel to Montreal is now kept open during the winter, and this prevents the formation of an ice bridge. It became necessary, therefore, to extend the ferry service to a year-round operation. To do this, it was necessary to construct a vessel capable of operating in ice, and maintenance of this special vessel in the lower-traffic winter months caused an operating deficit which necessitated the payment of a subsidy.

The vehicle and passenger ferry *Lord Selkirk*, constructed for the Department of Transport, is expected to be put into service on the Wood Islands, Prince Edward Island and Caribou, N.S., ferry service at the commencement of navigation 1958.

Thirteen applications for subsidy assistance were received, of which two were recommended for approval, namely, the Sorel and Ile St-Ignace service above mentioned, and the Victoria and West Coast of Vancouver Island service, which it has become necessary to maintain through subsidy assistance due to continued operating losses.

An application was received to subsidize a steamship service between Vancouver, Bella Coola and Butedale, to replace the service formerly maintained and which was withdrawn in January 1958. At the end of the year covered by this report negotiations were still in progress.

Substantial increases in costs of operation resulted in some large increases in subsidy for a number of eastern local services and for the Newfoundland Coastal Steamship services operated by the Canadian National Railways.

During the year, failure to reach an agreement with the operator of the subsidized services on the coast of British Columbia regarding the amount of subsidy necessary to maintain the services which were being performed, resulted in the withdrawal of the vessels and cancellation of the subsidy contract. Subsequently, agreement was reached with the Canadian Pacific Railway to maintain part of these services through subsidization of the route from Vancouver to ports on the northern British Columbia coast.

The provincial and interprovincial distribution of subsidy payments for 1957-58 was as follows:

Interprovincial Services

between Quebec, Prince Edward Island and Nova Scotia...	\$ 174,000
" Nova Scotia and Prince Edward Island.....	175,000
" Nova Scotia and New Brunswick.....	33,000
" New Brunswick and Quebec.....	59,500
" Prince Edward Island and Newfoundland.....	80,000

Provincial Services

British Columbia.....	331,567
New Brunswick.....	103,600
Newfoundland.....	2,740,597
Nova Scotia.....	215,900
Ontario.....	140,822
Quebec.....	1,055,500
Total.....	<u>\$5,109,486</u>

The total figure represents the net payment after recapture of subsidy from two services:

Owen Sound and Manitoulin Island and Georgian Bay.....	\$ 1,678
Prescott, Ontario and Ogdensburg, N.Y.....	15,000

Since the contract was negotiated in 1951, the total subsidies paid for the Prescott and Ogdensburg service have been fully refunded.

Park Steamship Company Limited

Apart from occasional insurance claims with relation to past operations which are handled by the staff of the Commission, this Company is no longer active although the Charter is still in force.

While the Company has no salaried employees its basic structure is being maintained and it could be quickly expanded should the need arise.

North Atlantic Treaty Organization

The Ninth Meeting of the North Atlantic Treaty Organization Planning Board for Ocean Shipping was held in London in July, 1956. As on previous occasions the Chairman of the Commission acted as Head of the Canadian Delegation since the Commission continues to be the agency responsible for the co-ordination of both N.A.T.O. and domestic shipping planning in Canada.

Steady progress has been maintained in this work and now that the main policies have been agreed to by the nations concerned, future progress will be largely concerned with matters of detail.

Inter-Governmental Maritime Consultative Organization (I.M.C.O.)

After the long delay which has taken place while awaiting the necessary number of ratifications to the convention setting up this organization which was agreed to in Geneva in 1948, it is gratifying to record that the convention was declared in force by the Secretary General of the United Nations on March 17, 1958.

The Preparatory Committee, of which the Chairman of the Commission is Chairman, and which is charged with the duty of arranging for the first General Assembly of the Organization will meet in June, 1958, and the First Assembly will probably be held in January, 1959. It is hoped that the Maritime Safety Committee, which is an integral part of the Organization, will take over the organization of the next Safety of Life at Sea Conference, which has been scheduled for 1960. Thereafter, it should be possible to deal with safety matters as and when occasion requires rather than have to await the calling together of a conference at comparatively long intervals which has been necessary in the past.

Degaussing and Stiffening of Merchant Ships

The Commission continues to co-ordinate this work. During the year under review the policy of fitting ships while building has been extended to ships building for transfer to U.K. registry under the Transfer Plan since Canada would be responsible for their operation as part of her contribution to the allied shipping pool in war. During the year under review the fitting has been completed of three ships during building and of two coastal ships in important services. A certain amount of maintenance work has also been undertaken on ships previously fitted.

Military Movements

The Commission has continued to act as the co-ordinating agency for the shipping movement overseas of armed services personnel and military cargo.

As in the past, personnel movements have been primarily concerned with the transport of troops and their dependents to and from Western Europe. A rotation of the Army Brigade in Europe was carried out in the Fall of 1957.

The allocation of shipping space for Mutual Aid cargoes destined to various allied countries is supervised by the Commission.

Coasting Laws of Canada

The Commission continues to advise the Department of National Revenue upon applications for the waiving of the Coasting Laws to permit temporary operation of foreign-flag or foreign-built ships in the Canadian Coasting Trade. Before suggesting that any approvals be given, every effort is made to make sure that no qualified ship suitable for the required service is available.

At the end of the period under review in this report the broad issues of Canada's coasting trade were being examined by the Royal Commission on the Coasting Trade of Canada.

International Conferences on Maritime Law and the Law of the Sea.

Brussels Conference—September 30 to October 10, 1957. The Commission was represented at the Brussels Conference on the Law of the Sea. This Conference was convened by the Belgian Government for the purpose of trying to reach international agreement on three subjects: Limitation of Shipowners' Liability, the problem of Stowaways and the formulation of Rules relating to Shipowners' Liability to Passengers. Through the co-operation of the Canadian Maritime Law Association two members of the Association, Mr. Lucien Beauregard, Q.C., of Montreal and Mr. Peter Wright, Q.C., of Toronto, accompanied the Delegation as advisers. The Conference succeeded in reaching a large measure of agreement on the question of the Limitation of Shipowners' Liability and a convention was drafted accordingly. If the decisions of the Conference are implemented by legislation the protection of the Shipowner will be considerably diminished with a corresponding increase in liability in respect of maritime claims. There was considerably less support for the proposed convention on Stowaways but a convention was drafted by the Conference. The Conference reached no conclusions in connection with the Rules relating to the Shipowners' Liability to Passengers; the draft rules prepared by the Comité Maritime International were altered so materially that it was decided to afford governments further time to study the revisions and to defer further consideration.

United Nations Conference on the Law of the Sea. The Commission made available one of its officers as a delegate to the United Nations Conference on the Law of the Sea convened at the Palais des Nations, Geneva, on February 24, 1958. The Conference was convened for the purpose of considering the report of the International Law Commission covering the codification of the law of the sea in all of its international aspects—the territorial sea, the high seas, fishing rights, the continental shelf and the access of landlocked states to the sea. The Commission is primarily interested in the proposed code of international law insofar as it concerns the regime of the high seas although other aspects of the code are of significance in connection with the duties and functions of the Commission. Many of the rules have had universal or almost universal recognition for many decades and indeed, in some instances, for centuries and hence the work of codification is largely the more precise formulation and systematization of these rules of international law. The deliberations of the Conference continued beyond the period covered by this report. A more detailed review of the work of the Conference and the results achieved will be made in a later report.

The Commission

The Staff of the Commission on March 31, 1958, numbered twenty-three whose annual salaries, together with salaries paid to Members of the Commission amount to \$143,845.00.

Dated at Ottawa the 24th day of June, 1958.

L. C. AUDETTE,
Chairman.

Appendix A

CANADIAN MERCHANT FLEET
At March 31, 1958DISTRIBUTION BY TONNAGE GROUPS ACCORDING TO COUNTRY OF ORIGINAL CONSTRUCTION
(Self-propelled Ships of 200 Gross Tons and over, excluding non-commercial vessels, tugs, ferries, and the fishing fleet)

Country of Build	200-499 G.T.		500-999 G.T.		1,000-1,999 G.T.		2,000-4,999 G.T.		5,000-9,999 G.T.		10,000 G.T. and over		Totals across	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons
Canada.....	55	17,995	10	6,460	36	60,132	45	113,164	25	185,975	18	238,447	189	622,173
United Kingdom.....	11	4,249	13	10,013	93	165,091	46	115,506	7	40,702	—	—	170	335,561
United States of America.	9	2,996	14	9,761	18	29,425	39	156,298	10	59,620	5	53,320	95	311,420
Other Foreign Countries.	2	861	3	2,045	4	5,532	2	5,664	—	—	—	—	11	14,102
Totals down.....	77	26,101	40	28,279	151	260,180	132	390,632	42	286,297	23	291,767	465	1,283,256

Appendix C

LINER SERVICES FROM CANADA, 1957

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to the United Kingdom and Eire.....	10 British 2 Canadian* 1 German 1 Greek	1 Irish 1 Italian 1 Norwegian/Dutch 1 Swiss	38
St. Lawrence and Atlantic Ports to North and North West Europe.....	2 British 3 Canadian* 1 Dutch 4 German 1 Greek	1 Italian 2 Norwegian 1 Norwegian/Dutch 1 Swedish 1 Swiss	19
Great Lakes Ports to the United Kingdom.	6 British 1 Swedish	1 Norwegian/Dutch	11
Great Lakes Ports to North and North West Europe.....	1 Finnish 2 German 1 Norwegian	1 Norwegian/Dutch 3 Swedish 1 Swedish/French	27
Pacific Coast Ports to the United Kingdom and North and North West Europe.....	2 British 1 Canadian* 1 Danish 1 British/Dutch 1 French	1 German 1 German/Finnish 2 Japanese 2 Norwegian 1 Swedish	19
St. Lawrence and Atlantic Ports to the Mediterranean.....	1 British/German/Egyptian 1 Canadian*/Italian 1 Italian		3
Great Lakes Ports to the Mediterranean..	1 British/French 1 Canadian*/Italian 1 Scandinavian/Dutch		6
Pacific Coast Ports to the Mediterranean..	1 Italian		1
St. Lawrence and Atlantic Ports to the Caribbean.....	1 American 1 British 1 Swedish	2 Canadian* 1 Colombian/ Ecuadorean	17
Great Lakes Ports to the Caribbean.....	1 Canadian*		1
Pacific Coast Ports to the Caribbean.....	1 American 2 Canadian*	2 Japanese 1 Panamanian	4
St. Lawrence and Atlantic Ports to South and East Africa.....	1 Norwegian		1
Pacific Coast Ports to South and East Africa	1 Dutch/Norwegian 1 Japanese		2

*Most Canadian lines chartered non-Canadian ships to furnish or to augment the cargo liner service.

LINER SERVICES FROM CANADA, 1957—*Concluded*

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to India and Persian Gulf.....	1 British		1
Pacific Coast Ports to India and Persian Gulf.....	1 Dutch/Norwegian		2
St. Lawrence and Atlantic Ports to the East Coast of South America.....	1 American 1 Swedish	1 German	4
Pacific Coast Ports to the East Coast of South America.....	2 American	2 Japanese	3
Pacific Coast Ports to the West Coast of South America.....	1 American 1 Chilean 2 Japanese	1 Colombian/ Ecuadorean 1 Norwegian**	7
St. Lawrence and Atlantic Ports to Austra- lia and New Zealand.....	1 British		2
Pacific Coast Ports to Australia and New Zealand.....	1 American 1 British	1 New Zealand 1 Swedish	3
St. Lawrence and Atlantic Ports to the Far East.....	2 British	1 Danish	4
Pacific Coast Ports to the Far East.....	3 American 3 Japanese	2 Norwegian 1 Norwegian/ Swedish	14
Pacific Coast Ports to the South Sea Islands	1 Danish***	1 Norwegian	1
Pacific Coast Ports to California.....	1 Norwegian		2
Pacific Coast Ports to U.S. Pacific Coast, Gulf and U.S. Atlantic Coast.....	1 Japanese		1
Round the World from Atlantic Ports....	1 American		One west- bound every three weeks

** (and via Straits of Magellan to the East Coast of South America)

*** (also provided a service to the Hawaiian Islands once every three months)

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1957

Shipyard and Name of Vessel	Type of Vessel	Power Plant	Gross Tons	Name of Owner
YARROWS LIMITED				
<i>Victoria</i>	Patrol Vessel.....	1,200 h.h.p. T/S Diesel.....	—	R.C.M.P.
<i>Y.S.F. 216</i>	Ammunition Lighter.....	T/S Diesel.....	—	Royal Canadian Navy
<i>Y.T. No. 60</i>	Steel Barge.....	Non-prop.....	1,054	Vancouver Tug Boat Co. Ltd.
<i>Yorke No. 111</i>	Steel Barge.....	Non-prop.....	1,291	L. & D. Yorke
<i>Gilley No. 40</i>	Steel Barge.....	Non-prop.....	669	Gilley Bros. Ltd.
<i>Island Tug 62</i>	Steel Barge.....	Non-prop.....	583	Island Tug & Barge Ltd.
<i>V. T. No. 61</i>	Steel Barge.....	Non-prop.....	582	Vancouver Tug Boat Co. Ltd.
<i>H.M.C.S. Fraser</i>	Escort Vessel.....	T/S Turbine.....	—	Royal Canadian Navy
<i>W. G. MacKenzie</i>	Dredge (Hull only)	—	713	B.C. Bridge & Dredging Co. Ltd.
<i>Island Tug 63</i>	Steel Barge.....	Non-prop.....	583	Island Tug & Barge Ltd.
<i>H.M.C.S. Cowichan</i>	Minesweeper.....	T/S Diesel.....	—	Royal Canadian Navy
<i>Straits Conveyor</i>	Steel Barge.....	Non-prop.....	597	Straits Towing Co. Ltd.
VICTORIA MACHINERY DEPOT CO. LTD.				
<i>Y. T. C. No. 51</i>	Steel Barge.....	Non-prop.....	461	Yellowknife Transportation Co. Ltd.
<i>H.M.C.S. Miramichi</i>	Minesweeper.....	T/S Diesel.....	—	Royal Canadian Navy
<i>Y.S.W. 220</i>	Water Boat.....	T/S Diesel.....	—	Royal Canadian Navy
BURRARD DRY DOCK CO. LTD.				
<i>H.M.C.S. Skeena</i>	Escort Vessel.....	T/S Turbine.....	—	Royal Canadian Navy
<i>Straits Cold Decker</i>	Steel Barge.....	Non-prop.....	2,385	Straits Towing Ltd.
<i>Straits Water Skidder</i>	Steel Barge.....	Non-prop.....	2,384	Straits Towing Ltd.
<i>Y.C. 250</i>	Crane Lighter.....	Non-prop.....	—	Royal Canadian Navy
<i>Y.C. 252</i>	Crane Lighter.....	Non-prop.....	—	Royal Canadian Navy
<i>Crown Zellerbach No. 5</i>	Steel Barge.....	Non-prop.....	2,390	Crown Zellerbach Canada Ltd.
<i>Crown Zellerbach No. 6</i>	Steel Barge.....	Non-prop.....	2,390	Crown Zellerbach Canada Ltd.
<i>Crown Zellerbach No. 7</i>	Derrick Scow.....	Non-prop.....	264	Crown Zellerbach Canada Ltd.
<i>Crown Zellerbach No. 8</i>	Steel Scow.....	Non-prop.....	811	Crown Zellerbach Canada Ltd.
<i>Straits No. 102</i>	Steel Scow.....	Non-prop.....	592	Straits Towing Co. Ltd.

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1957—*Concluded*

Shipyards and Name of Vessel	Type of Vessel	Power Plant	Gross Tons	Name of Owner
PORT ARTHUR SHIPBUILDING LTD. <i>H.M.C.S. Thunder</i>	Minesweeper.....	T/S Diesel.....	—	Royal Canadian Navy
THE COLLINGWOOD SHIPYARDS LTD. <i>Senator of Canada</i> <i>Imperial Quebec</i>	Bulk Freighter..... Ocean-going tanker.....	4,400 s.h.p. S/S Turbine..... 2,560 s.h.p. S/S Diesel.....	9,958 4,533	N. M. Paterson & Sons Ltd. Imperial Oil Ltd.
RUSSEL-HIPWELL ENGINES LTD. <i>Belle Bay</i> <i>John I. Rankin</i> <i>Mc NCO No. 26</i> <i>Mc NCO No. 27</i> <i>Mc NCO No. 28</i>	Steel Launch..... Steel Tug..... Steel Scow..... Steel Scow..... Steel Scow.....	140 b.h.p. S/S Diesel..... 800 b.h.p. T/S Diesel..... Non-prop..... Non-prop..... Non-prop.....	57 136 249 177 177	Dept. of Fisheries St. Lawrence Corporation McNamara Construction Co. Ltd. McNamara Construction Co. Ltd. McNamara Construction Co. Ltd.
PORT WELLER DRY DOCKS LTD. <i>St. Andrew</i>	Steel Dredge.....	Non-prop.....	258	Russell Construction Co. Ltd.
KINGSTON SHIPYARDS LTD. <i>Pills-Merritt Dredge</i> <i>T.H.C. No. 50</i> <i>William B. Dilly</i>	Steel Dredge..... Steel Scow..... Steel Scow.....	Non-prop..... Non-prop..... Non-prop.....	883 365 318	C. A. Pitts Construction Co. Ltd. Toronto Harbour Commission McNamara Construction Co. Ltd.
MARINE INDUSTRIES LTD. <i>H.M.C.S. Chaleur</i> <i>Sinmac</i> <i>Rock General No. 1</i> <i>Pierre de Saurel</i> <i>Louis D.</i>	Minesweeper..... Tug..... Drill Boat..... Auto-pass. Ferry..... Dredge.....	T/S Diesel..... 800 b.h.p. Diesel..... Non prop..... 880 b.h.p. Diesel..... Non-prop.....	— 300 240 538 856	Royal Canadian Navy Sincennes McNaughton Lines Ltd. Marine Industries Ltd. La Cie de la Traverse du St-Laurent Marine Industries Ltd.
DAVIE SHIPBUILDING LTD. <i>Consciffie Hall</i> <i>Montcalm</i> <i>Montmorency</i>	Bulk Freighter..... Icebreaker..... Lighthouse Tender.....	1,280 b.h.p. T/S Diesel..... 4,000 i.h.p. T/S Steam..... 1,200 b.h.p. T/S Diesel.....	2,329 2,817 751	Hall Corporation of Canada Ltd. Dept. of Transport Dept. of Transport

GEO. T. DAVIE & SONS LTD. <i>Fundy</i> <i>Mont St. Martin</i> <i>H.M.C.S. Chignecto</i>	Dipper Dredge.....	Non-prop.....	894	J. P. Porter Co. Ltd. Capts. J. M. & R. Desgagne Royal Canadian Navy
	Cargo Vessel.....	640 b.h.p. S/S Diesel.....	493	
	Minesweeper.....	T/S Diesel.....	—	
SAINT JOHN DRY DOCK CO. LTD. <i>C.N.A.V. St. Anthony</i> <i>C.N.A.V. St. Charles</i> <i>Y.C. 251</i>	Modified Norton Tug.....	S/S Diesel.....	—	Royal Canadian Navy Royal Canadian Navy Royal Canadian Navy
	Modified Norton Tug.....	S/S Diesel.....	—	
	Crane Lighter.....	Non prop.....	—	
HALIFAX SHIPYARDS LTD. <i>H.M.C.S. Margaree</i>	Escort Vessel.....	T/S Turbine.....	—	Royal Canadian Navy
FERGUSON INDUSTRIES LTD. <i>Percy C. Black</i> <i>Y.B.Y. 401</i> <i>Y.C. 253</i> <i>Gerald Millar</i>	Auto-pass. Ferry.....	680 b.h.p. T/S Diesel.....	298	Dept. of Highways, N.S. Royal Canadian Navy Royal Canadian Navy Dept. of Public Works
	Power Barge.....	Non-prop.....	—	
	Crane Lighter.....	Non-prop.....	—	
	Tug.....	150 b.h.p. Diesel.....	14	
LUNENBURG FOUNDRY & ENGR'G LTD. <i>Sharon Dawn</i>	Fishing Trawler.....	540 b.h.p. S/S Diesel.....	65	Glencoe Shipping Ltd.

Appendix E

VALUE OF SHIPS DELIVERED AND OF REPAIRS AND CONVERSIONS CARRIED OUT IN CANADIAN SHIPYARDS 1950-1957

Shipbuilding Area	1950	1951	1952	1953	1954	1955	1956	1957
	\$	\$	\$	\$	\$	\$	\$	\$
PACIFIC COAST								
Shipbuilding.....	1,502,800	601,001	3,021,670	287,835	14,020,684	2,470,000	3,765,960	53,837,870
Repairs and Conversions.....	3,653,624	6,603,553	7,217,901	7,335,846	5,037,300	8,138,654	9,465,965	11,098,523
	5,156,424	7,204,554	10,239,571	7,623,681	19,057,984	10,608,654	13,231,925	64,936,393
GREAT LAKES								
Shipbuilding.....	7,025,000	8,256,600	31,075,024	3,502,850	32,514,789	6,643,600	3,951,600	12,461,820
Repairs and Conversions.....	3,086,631	4,636,319	4,679,525	5,926,099	5,276,251	2,895,745	3,975,387	3,917,132
	10,111,631	12,892,919	35,754,549	9,428,949	37,791,040	9,539,345	7,926,987	16,378,952
ST. LAWRENCE								
Shipbuilding.....	10,371,383	4,047,053	6,282,390	40,325,000	38,689,200	37,783,150	48,100,400	14,545,600
Repairs and Conversions.....	5,388,538	7,345,077	14,717,394	21,254,741	14,108,262	7,898,312	10,377,731	9,373,341
	16,759,921	11,392,130	20,999,784	61,579,741	52,797,462	45,681,462	58,478,131	23,918,941
ATLANTIC COAST								
Shipbuilding.....	7,381,970	—	1,604,250	300,000	7,950,000	370,000	17,916,000	28,713,900
Repairs and Conversions.....	5,001,402	5,750,231	11,147,247	16,570,462	13,722,715	8,107,094	6,021,147	8,741,738
	12,383,372	5,750,231	12,751,497	16,870,462	21,672,715	8,477,094	23,937,147	37,455,638
SUMMARY								
Shipbuilding.....	26,281,153	12,904,654	41,982,334	44,415,685	93,174,673	46,266,750	73,733,960	109,559,190
Repairs and Conversions.....	17,130,195	24,335,180	37,762,067	51,097,148	38,144,528	27,039,805	29,840,230	33,130,734
	43,411,348	37,239,834	79,744,401	95,512,835	131,319,201	73,305,555	103,574,190	142,689,924

PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1958

Shipyard and Hull No.	Type	Power Plant	Estimated D.W.T.	Name of Owner
YARROWS LIMITED				
170.....	Steel Barge.....	Non-prop.....	900	Gilley Bros. Ltd.
171.....	Steel Barge.....	Non-prop.....	1,300	Island Tug & Barge Ltd.
172.....	Steel Barge.....	Non-prop.....	1,000	Deeks-McBride Ltd.
173.....	Steel Barge.....	Non-prop.....	1,300	Red Barge Line Ltd.
174.....	Steel Barge.....	Non-prop.....	1,300	Morrison Steel & Wire Co. Ltd.
175.....	Steel Barge.....	Non-prop.....	1,300	Red Barge Line Ltd.
176 and 177.....	Steel Barges.....	Non-prop.....	1,300 ea.	Vancouver Tug Boat Co. Ltd.
—.....	Icebreaker, Supply and Buoy Vessel.....	4,250 s.h.p. T/S Diesel Electric.....	—	Dept. of Transport
VICTORIA MACHINERY DEPOT CO. LTD.				
83.....	Snag Boat.....	600 h.p. T/S Diesel.....	—	Dept. of Public Works
BURBARD DRY DOCK CO. LTD.				
—.....	Supply, Search and Rescue Vessel.....	2,900 s.h.p. T/S Diesel.....	—	Dept. of Transport
PORT ARTHUR SHIPBUILDING CO. LTD.				
119.....	Icebreaker, Supply and Buoy Vessel.....	3,550 b.h.p. T/S Diesel.....	—	Dept. of Transport
122 (Major Conversion).....	Bulk Freighter.....	4,500 s.h.p. T/S Turbine.....	—	Canada Steamship Lines Ltd.
—.....	Oil Tanker.....	4,500 s.h.p. S/S Turbine.....	—	British American Oil Co. Ltd.
THE COLLINGWOOD SHIPYARDS LTD.				
160 (S.S. <i>Fort York</i>).....	Package Freighter.....	5,500 s.h.p. S/S Turbine.....	8,450	Canada Steamship Lines Ltd.
163.....	Bulk Freighter.....	8,500 s.h.p. S/S Turbine.....	24,500	Carryon Ltd.
164.....	Bulk Freighter.....	8,500 s.h.p. S/S Turbine.....	24,500	Canada Steamship Lines Ltd.
165.....	Bulk Freighter.....	8,500 s.h.p. S/S Turbine.....	24,500	Carryon Ltd.
166 (Major Conversion).....	Self-unloading Collier.....	1,800 i.h.p. S/S Steam.....	11,500	Canada Steamship Lines Ltd.
167.....	Ocean-going Tanker.....	1,608 s.h.p. S/S Diesel.....	1,980	Shell Canadian Tankers Ltd.
RUSSEL-HIPWELL ENGINES LTD.				
1162.....	Survey Vessel.....	1,000 s.h.p. T/S Diesel Electric.....	500	Dept. of Transport
1167.....	Drill Barge.....	Non-prop.....	53	Translake Drilling Ltd.
PORT WELLER DRY DOCKS LTD.				
24.....	Bulk Freighter.....	7,500 s.h.p. Steam Turbine.....	22,000	Port Weller Dry Docks Ltd.
25.....	Bulk Freighter.....	7,500 s.h.p. Steam Turbine.....	22,660	Upper Lakes & St. Lawrence Transportation Co. Ltd.
KINGSTON SHIPYARDS LTD.				
62.....	Patrol Vessel.....	5,000 b.h.p. T/S Diesel.....	—	R.C.M.P.
64 and 65.....	Steel Scows.....	Non-prop.....	350 ea.	Seaway Authority
68 and 69.....	Steel Scows.....	Non-prop.....	175 ea.	McNamara Construction Co. Ltd.
73.....	Yacht.....	300 h.p. T/S Diesel.....	—	Gulf Lake Navigation Co. Ltd.
74.....	Lightship.....	T/S Diesel.....	—	Dept. of Transport
75 and 76.....	Steel Scows.....	Non-prop.....	130 ea.	Russell Construction Co. Ltd.

PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1958—*Concluded*

Shipyard and Hull No.	Type	Power Plant	Estimated D.W.T.	Name of Owner
CANADIAN VICKERS LTD. <i>Alexander T. Wood</i> <i>Avery C. Adams</i> 272.....	Ocean-going Ore Carrier..... Ocean-going Ore Carrier..... Icebreaker, Supply and Buoy Vessel.....	6,800 h.p. S/S Diesel..... 7,200 h.b.p. S/S Diesel..... 5,000 h.p. S/S Steam.....	20,350 20,350 1,000	Westriver Ore Transports Ltd. Wilson Shipping Corporation Ltd. Dept. of Transport
MARINE INDUSTRIES LTD. 238..... 239..... 255.....	Oil Tanker..... Research Trawler..... Drill Boat.....	3,200 h.b.p. Diesel..... 1,100 h.b.p. Diesel.....	3,500 800 240	Branch Lines Ltd. Dept. of Fisheries Marine Industries Ltd.
DAVIE SHIPBUILDING LTD. 613..... 614..... 615..... 617..... 618..... 619..... 620..... 621.....	Cargo Vessel..... Icebreaker..... Bulk Freighter..... Oil Tanker..... Cargo Vessel..... Auto-Pass..... Oil Tanker..... Icebreaker..... Tug.....	8,000 s.h.p. Steam..... 4,250 s.h.p. Diesel Electric..... 1,280 s.h.p. Diesel..... 16,000 s.h.p. Steam..... 3,200 s.h.p. Diesel..... 4,700 h.b.p. Diesel..... 16,000 s.h.p. Steam..... 15,000 s.h.p. Diesel Electric..... 1,280 h.b.p. Diesel.....	16,000 1,000 3,870 40,000 6,540 120 40,000 3,380 93	Spruce Shipping Ltd. Dept. of Transport Hall Corporation Federal Tankers Ltd. Canada Steamship Lines Ltd. Clarke Steamship Co. Ltd. Pachistidis Co. Ltd. Dept. of Transport Foundation Maritime Ltd.
GEO. T. DAVIE & SONS LTD. <i>North Voyager</i> <i>R.C.M.P. Wood</i> —.....	Cargo Vessel..... Patrol Vessel..... Buoy Vessel..... Sounding Vessel.....	1,050 h.b.p. S/S Diesel..... 2,666 h.b.p. S/S Diesel..... T/S Diesel..... T/S Diesel.....	1,100 — — —	Gulf Ports Steamship Co. Ltd. R.C.M.P. Dept. of Transport Dept. of Transport
SAINT JOHN DRY DOCK CO. LTD. 38..... 39.....	Dump Scow..... Supply and Buoy Vessel.....	Non-prop..... 2,000 h.b.p. T/S Diesel.....	400 850	Saint John Dry Dock Co. Ltd. Dept. of Transport
HALIFAX SHIPYARDS LTD. 22.....	Lighthouse Supply and Buoy Vessel.....	4,250 s.h.p. Diesel Electric.....	1,610	Dept. of Transport
FERGUSON INDUSTRIES LTD. <i>Lord Selkirk</i> 128 and 129.....	Auto-Pass Ferry..... Landing Barges.....	2,500 h.b.p. T/S Diesel..... 150 h.b.p. T/S Diesel.....	1,834 g.t. 27 ea.	Dept. of Transport Dept. of Transport
LUNENBURG FOUNDRY & ENGR'G CO. LTD. <i>Pilot Boat No. 6</i> —.....	Pilot Vessel..... Landing Barge.....	366 h.b.p. Diesel..... 260 h.b.p. T/S Diesel.....	— 27	Dept. of Transport Dept. of Transport

Appendix G

CAPITAL COST DETERMINATIONS MADE WITH RESPECT TO VOLUNTARY APPLICATIONS FOR THE BENEFITS
OF CLAUSE 3 OF THE CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT

Fiscal Year	DETERMINATIONS WITH RESPECT TO NEW CONSTRUCTION										DETERMINATIONS WITH RESPECT TO CONVERSIONS AND MAJOR ALTERATIONS	
	All Types of Cargo Vessels			Dredges, Scows and Barges		Tugs, Fishing Vessels, Ferries, Etc.		Total Determinations		No.	Value	
	No.	Value	No.	Value	No.	Value	No.	Value				
									\$	\$	\$	\$
1950.....	1	3,136,716.19	2	153,729.23	1	57,365.54	4	3,348,310.96	17	1,468,496.33	\$	
1951.....	6	9,127,824.52	6	251,115.88	11	1,177,791.17	23	10,556,731.57	16	1,113,820.56		
1952.....	14	26,541,152.70	10	507,509.79	12	1,060,349.26	36	28,109,011.75	21	4,387,848.89		
1953.....	8	18,841,346.88	19	987,490.10	41	1,026,306.06	68	20,855,143.04	17	3,213,387.25		
1954.....	9	14,516,710.26	21	2,007,693.09	19	1,192,126.38	49	17,716,529.73	19	4,053,255.33		
1955.....	9	2,795,475.19	37	3,532,817.18	16	1,310,892.58	62	7,639,184.95	10	2,390,890.59		
1956.....	15	12,344,718.98	54	4,424,785.07	26	1,249,511.89	95	18,019,015.94	15	2,158,084.16		
1957.....	8	8,207,693.36	35	5,581,527.51	29	1,726,183.70	72	15,515,404.57	9	1,233,670.72		

NOTE: The number of capital cost determinations should not be taken to indicate the number of vessels built or altered, because interim determinations are often issued for each fiscal year expenditures are made with respect to the capital cost of new construction or major alteration.

Office Consolidation—Not Official

R. S. C.

CHAPTER 43.

as amended by 1952-53, c. 14 and 1957-58, c. 12.

An Act to encourage the
Construction and Conversion of Vessels in Canada.

SHORT TITLE.

Short title.

1. This Act may be cited as the *Canadian Vessel Construction Assistance Act*. 1949 (2nd Sess.), c. 11, s. 1.

INTERPRETATION.

Definitions.

2. In this Act

"Capital
cost."

(a) "capital cost" means capital cost as determined by the Canadian Maritime Commission;

"Conversion
cost."

(b) "conversion cost" means the cost of a conversion or major alteration as determined by the Canadian Maritime Commission;

"Conversion
or major
alteration."

(c) "conversion or major alteration" means a conversion or major alteration made in Canada by a taxpayer in accordance with plans approved in writing by the Canadian Maritime Commission for the purposes of this Act;

"Vessel."

(d) "vessel" means a vessel as defined in the *Canada Shipping Act*; andOther
words and
expressions.(e) other words and expressions have the same meaning as in the *Income Tax Act*. 1949 (2nd Sess.), c. 11, s. 2.Deduction
in respect
of capital
cost of
vessels for
purposes
of the
*Income Tax
Act*.

3. *(1) Where a taxpayer owns a vessel

(a) that was constructed in Canada and is registered in Canada or is registered under conditions satisfactory to the Canadian Maritime Commission in any country or territory to which the British Commonwealth Merchant Shipping Agreement (signed at London on December 10, 1931) applies,

(b) the construction of which was commenced after the 1st day of January, 1949, and

(c) in respect of the capital cost of which no allowance has been made to any other taxpayer under this Act or the *Income Tax Act*,in computing his income for a taxation year, for the purposes of the *Income Tax Act*, he may, notwithstanding anything in that Act or the regulations thereunder, in lieu of a deduction under paragraph

* Note: Applicable to the 1957 and subsequent taxation years. (1957-58, c. 12, s. 3.)

Rep. and New.
1957-58,
c. 12, s. 1.

(a) of subsection (1) of section 11 of that Act and the regulations under that paragraph, and so long as the title to the vessel remains vested in him, deduct such part of the capital cost to him of the vessel as he may elect, not exceeding the lesser of

- (d) thirty-three and one-third per cent of the capital cost to him of the vessel, or
- (e) the undepreciated capital cost to him of the vessel as of the end of the taxation year (before making any deduction under this section for the taxation year).

*(2) Where a taxpayer owns a vessel that is registered in Canada or is registered under conditions satisfactory to the Canadian Maritime Commission in any country or territory to which the said British Commonwealth Merchant Shipping Agreement applies, conversion or major alteration of which was commenced after the 1st day of January, 1949, in computing his income for a taxation year for the purposes of the *Income Tax Act* he may, so long as the title to the vessel remains vested in him, notwithstanding anything in that Act or the regulations thereunder, in lieu of a deduction under that Act in respect of the conversion cost but in addition to a deduction of other capital costs of the vessel under that Act, deduct such part of the conversion cost to him of the vessel as he may elect, not exceeding the lesser of

Deduction
in respect of
conversion
cost.

Rep. and New.
1957-58,
c. 12, s. 1.

- (a) thirty-three and one-third per cent of the conversion cost to him, or
- (b) the undepreciated conversion cost to him of the vessel as of the end of the taxation year (before making any deduction under this section for the taxation year).

(3) For the purposes of the *Income Tax Act*

- (a) a vessel in respect of which an allowance has been made under subsection (1) shall be deemed to be a prescribed class within the meaning of section 20 of that Act;
- (b) a vessel in respect of which an allowance has been made under subsection (2) shall, to the extent of the conversion cost, be deemed to be a prescribed class within the meaning of section 20 of that Act; and
- (c) an allowance under this section shall be deemed to have been made under paragraph (a) of subsection (1) of section 11 of that Act. 1949 (2nd Sess.), c. 11, s. 3.

Application
of the
Income Tax
Act.

4. *(1) Where a vessel is disposed of by a taxpayer

- (a) subsection (1) of section 20 of the *Income Tax Act* does not apply to the proceeds of disposition
 - (i) to the extent that they are used by any person for replacement under conditions satisfactory to the Canadian Maritime Commission, or

S.20 of the
Income Tax
Act not
applicable
in certain
cases.

Rep. and New.
1957-58,
c. 12, s. 2.

* Note: Applicable to the 1957 and subsequent taxation years. (1957-58, c. 12, s. 3.)

- (ii) if the Canadian Maritime Commission certifies that the taxpayer has, on satisfactory terms, deposited an amount at least equal to the tax that would but for this Act be payable by the taxpayer under the *Income Tax Act* in respect of the proceeds of disposition, or satisfactory security therefor, as a guarantee that the proceeds of disposition will be used for replacement; and
- (b) the taxpayer may, within the time prescribed by the *Income Tax Act* for the filing of a return of his income for the taxation year in which the vessel was disposed of, elect to have the vessel constituted a prescribed class, and, if he so elects, the vessel shall be deemed to have been a prescribed class within the meaning of section 20 of the *Income Tax Act* immediately before the disposition thereof.

Determina-
tion of
undepreciated
capital cost
of sold
vessel.

New.
1957-58,
c. 12, s. 2.

*(1A) Where a vessel in respect of which an election was made under paragraph (b) of subsection (1), (in this subsection called the "sold vessel") was, immediately before the election, included with other property in a prescribed class within the meaning of section 20 of the *Income Tax Act*, (in this subsection called the "former prescribed class"), for the purposes of the *Income Tax Act*

- (a) the undepreciated capital cost to the taxpayer of the sold vessel, immediately before the disposition thereof, shall be deemed to be the lesser of
 - (i) the original cost to him of the sold vessel minus the aggregate of
 - (A) the total amount that would have been allowed to him as a deduction in computing income under the *Income Tax Act* in respect of the vessel before the disposition thereof, if it had been a prescribed class, at the rate of allowances claimed and allowed to him under paragraph (a) of subsection (1) of section 1100 of the *Income Tax Regulations* for property of the former prescribed class in computing his income for the 1949 and each subsequent taxation year,
 - (B) the total amount claimed and allowed to him under paragraph (d) of subsection (1) of section 1100 of the *Income Tax Regulations* in respect of the sold vessel as a deduction in computing his income for the 1949 and each subsequent taxation year, and
 - (C) the total amount deemed by paragraph (c) of subsection (1) of section 144 of the *Income Tax Act* to have been allowed to him in respect of the sold vessel, or
 - (ii) the undepreciated capital cost to him of the property of the former prescribed class at the time of the disposition of the sold vessel; and

* Note: Applicable to the 1957 and subsequent taxation years. (1957-58, c. 12, s. 3.)

- (b) the undepreciated capital cost to the taxpayer of the property of the former prescribed class immediately after the disposition of the sold vessel shall be deemed to be the undepreciated capital cost to the taxpayer of the property of the former prescribed class immediately before the disposition of the sold vessel, minus the undepreciated capital cost to the taxpayer of the sold vessel as determined under paragraph (a).

*(1B) Notwithstanding anything in the *Income Tax Act*, where a taxpayer has made an election as prescribed in subsection (1) with respect to a vessel and the proceeds of disposition of the vessel have been used for replacement under conditions satisfactory to the Canadian Maritime Commission, such re-assessments of returns of income under the *Income Tax Act* shall be made as are necessary to give effect to this section.

Re-assessments
under *Income
Tax Act*.

New.
1957-58,
c. 12, s. 2.

*(1C) All or any part of a deposit made under subparagraph (ii) of paragraph (a) of subsection (1) may be paid out to or on behalf of any person who, under conditions satisfactory to the Canadian Maritime Commission and as a replacement for the vessel disposed of, acquires a vessel described in subsection (1) of section 3 or incurs any conversion costs in respect of a vessel described in subsection (2) of section 3, but the ratio of the amount paid out to the amount of the deposit shall not exceed the ratio of the capital cost to him of the vessel described in the said subsection (1) or the conversion cost to him of the vessel described in the said subsection (2), as the case may be, to the proceeds of disposition of the vessel disposed of; and any deposit or part of a deposit not so paid out within a period of seven years after it was made shall be paid to the Receiver General of Canada and form part of the Consolidated Revenue Fund.

Disposition
of deposit.

New.
1957-58,
c. 12, s. 2.

(2) Where a vessel in respect of which an allowance has been made under subsection (2) of section 3 is disposed of, the portion of the proceeds of disposition that is attributable to the conversion cost shall be determined by the Canadian Maritime Commission. 1949 (2nd Sess.), c. 11, s. 4.

Determina-
tion of
conversion
costs.

5. Except as modified by this Act all the provisions of the *Income Tax Act* and the regulations thereunder apply to a taxpayer to whom this Act applies. 1949 (2nd Sess.), c. 11, s. 5.

Application
of the
*Income Tax
Act*.

6. The Governor in Council may exclude any class of vessel from the operation of this Act. 1949 (2nd Sess.), c. 11, s. 6.

Governor in
Council may
exclude
vessels.

7. (1) Notwithstanding paragraph (e) of subsection (1) of section 12 of the *Income Tax Act* a taxpayer may, in computing his income for a taxation year for the purposes of that Act, deduct such amount as the Governor in Council may by regulation allow as a reserve for expenses to be incurred by reason of quadrennial or other special surveys required under the *Canada Shipping Act*, or the regulations thereunder, or under the rules of any society or association for the classification and registry of shipping approved by the Minister of Transport for the purposes of the *Canada Shipping Act*. 1949 (2nd Sess.), c. 11, s. 7.

Reserve for
expenses of
quadrennial
surveys, etc

* Note: Applicable to the 1957 and subsequent taxation years. (1957-58, c. 12, s. 3.)

Recapture
where survey
completed.

New
1952-53,
c. 14, s. 2.

(2) In any case where

- (a) a taxpayer has under subsection (1) made a deduction in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel, and
- (b) the quadrennial or other special survey in respect of which the deduction was made has been completed to the extent that the vessel is permitted to proceed on a voyage,

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the taxpayer's income under Part I of the *Income Tax Act*, shall be included in computing his income under Part I of the *Income Tax Act* for the taxation year in which the survey was so completed.

Recapture
where survey
not begun or
completed.

New.
1952-53,
c. 14, s. 2.

(3) In any case where

- (a) a taxpayer has under subsection (1) made a deduction in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel, and
- (b) before that quadrennial or other survey was completed, the taxpayer sold the vessel or the vessel was lost or destroyed or any other circumstance arose that in the opinion of the Minister of National Revenue renders it improbable that the survey will be completed,

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the taxpayer's income under Part I of the *Income Tax Act*, shall be included in computing his income under Part I of the *Income Tax Act* for the taxation year in which the vessel was sold, lost or destroyed or in which such circumstances arose.

Application.

New.
1952-53,
c. 14, s. 2.

(4) This section is applicable to the 1949 and subsequent taxation years.

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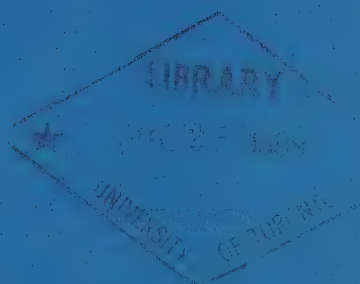
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TWELFTH REPORT

OF THE

CANADIAN MARITIME COMMISSION

JUNE 23, 1959



SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947.

Price 15 cents.

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1959

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THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

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The Honourable GEORGE HEES, P.C., M.P.,
Minister of Transport,
Ottawa.

SIR,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act, 1947, I have the honour to submit herewith the twelfth report of the Canadian Maritime Commission, covering the period between April 1, 1958, and March 31, 1959.

I have the honour to be Sir,

Your obedient servant,

L. C. AUDETTE,
Chairman.

OTTAWA,
June 23, 1959.

CANADIAN MERCHANT FLEET
(Ships of 1,000 Gross Tons and Over)

	March 31, 1958		March 31, 1959	
	No.	Gross Tons	No.	Gross Tons
<i>Ocean-Going Ships in Foreign Trade</i>				
War-built cargo ships				
10,000 Tonners.....	4	28,710	3	21,550
4,700 Tonners.....	1	2,894	—	—
Passenger ships.....	—	—	—	—
Diesel cargo ships.....	—	—	—	—
Other cargo ships.....	4	16,155	2	5,664
	9	47,759	5	27,214
Tankers.....	8	96,252	8	90,005
	17	144,011	13	117,219
<i>Ships in Coasting Trade</i>				
War-built cargo ships				
10,000 Tonners.....	—	—	—	—
4,700 Tonners.....	—	—	—	—
Other passenger and dry cargo ships.....	52	162,206	52	162,706
	52	162,206	52	162,706
Tankers.....	8	19,843	9	21,442
	60	182,049	61	184,148
<i>Lakes and St. Lawrence Canallers</i>				
Dry-cargo ships.....	154	306,351	155	308,764
Tankers.....	39	76,187	38	74,298
	193	382,538	193	383,062
<i>Upper Lakers</i>				
Dry-cargo and passenger ships.....	75	490,512	78	525,269
Tankers.....	3	29,766	2	17,318
	78	520,278	80	542,587
SUMMARY				
Dry-cargo and passenger ships.....	290	1,006,828	290	1,023,953
Tankers.....	58	222,048	57	203,063
	348	1,228,876	347	1,227,016

SHIPS UNDER UNITED KINGDOM REGISTRY

Retained under U.K. Registry.....	24	171,233	23	164,091
Transferred to U.K. Registry.....	37	268,782	38	309,833
Supply ships, on loan.....	5	36,382	5	36,381
	66	476,397	66	510,305

TWELFTH ANNUAL REPORT

1. Shipping

This report covers the period from April 1, 1958 to March 31, 1959, except where otherwise indicated.

The summary on the opposite page, shows that while there was a loss of four vessels from the Canadian register during this period the additions and deletions involved in the changes to the group on the United Kingdom register resulted in a gain of 7,116 gross tons for the combined fleet.

Changes in the ocean-going ships on Canadian register included the transfer of the Bowater interests' newsprint and pulpwood carriers *Liverpool Packet*, *Liverpool Rover*, *Markland* and *Vinland* to United Kingdom register, the sale to foreign buyers of the American-built wartime tanker *Imperial Toronto* and the addition of *Maplebranch*, a new tanker built in Canada.

In the coastal fleet, *Yukon Princess* was sold foreign after a lengthy period in lay-up and two new Canadian-built vessels went into service: the *Lord Selkirk* for the Wood Island-Caribou run on the east coast and the tanker *Tyee Shell* for British Columbia waters.

There was no change in the number of Canallers, although the gross tonnage increased as the new bulk carrier *Rockcliffe Hall*, also built in Canada, more than offset the loss occasioned by the sale of the 50-year old tanker *Imperial Kingston*.

The Lakes fleet was augmented by the addition of two more new Canadian-built vessels; *Fort York*, a package freighter, and the bulk carrier *Frank A. Sherman*. These, together with the increased tonnage resulting from the conversion of the *Nipigon Bay* to a bulk freighter, and other less conspicuous tonnage changes, served to increase the volume in the Great Lakes by 22,309 gross tons.

Sixteen vessels were involved in the changes which occurred in the United Kingdom-registered portion of the fleet. Three 10,000 tonners, three 4,700-tonners and the smaller *Montrose* were sold foreign, and the *Lake Burnaby*, built in 1952 and only acquired during the late summer of 1957, unfortunately was wrecked off the Philippines and declared a constructive total loss. On the other hand, besides the four Bowater vessels mentioned above, four new-buildings were also added in 1958; these were the iron-ore carriers *Alexander T. Wood* and *Avery C. Adams*, the alumina-carrier *Sunrhea*, all from Canadian yards, and the dry cargo ship *La Marea*, built in England, all of which were placed on the United Kingdom register under special transfer arrangements.

Appendix A lists the merchant fleet of 200 gross tons or over according to country of original construction, while Appendix B shows the distribution according to age.

Freight Rates

During the period under review freight rates for bulk dry cargoes remained depressed. A tendency towards improvement late in 1958 was not sustained and in the early months of 1959 rates returned to about the level of a year before. Tanker rates, likewise depressed, showed some gains in the second half of 1958 before subsiding early in 1959. The supply of world shipping expanded to 118 million gross tons at mid-year, an increase of 7.8 million gross tons over the previous year's total. Laid-up tonnage at the end of 1958 was estimated at 7 million gross tons. Reflecting adverse trading conditions, the value of "Park" and "Liberty" ships fell to around \$200,000.

During 1958 twenty-six Canadian-owned ships operating under the transfer plan were laid-up for a total of 5,851 days.

While tanker rates were low for most of the year, particularly in the American trade, a rise occurred during the late months. The rate for single voyages with crude oil from Venezuela to Portland, Maine (terminal of the Portland-Montreal pipe line) ranged from a low of .90¢ per ton in January to a high of \$2.75 per ton in November.

An interesting development outside Canada in 1958 was the time chartering of a large number of dry cargo vessels by Mainland China. By autumn it was estimated that the Chinese had under time charter fully one hundred dry cargo ships, some of which were fixed at rates as low as 12 shillings per deadweight ton.

The increasing importance of large bulk carriers in the dry cargo trades was a notable feature of 1958. Cargoes of 12,000 to 14,000 tons became more common in both the coal trade and the grain trade. Heretofore, average cargoes in both trades were about 9,500 tons, representing the capacity of such ships as the "Forts", "Parks" and "Libertys" of wartime design.

Records of freight market fixtures and indices are now maintained by the Transportation and Trade Services Division of the Department of Trade and Commerce in collaboration with the Commission.

Labour

The most serious labour disturbance affecting Canadian shipping in 1958 was a strike called by the Seafarers' International Union against Canadian Pacific Steamships on the British Columbia coast, on May 16, following disagreement over wages, overtime, and fringe benefits. Operations were resumed on July 26. On August 21 a strike was called by the International Longshoremen and Warehousemen's Union in the ports of New Westminster, Port Alberni, Vancouver and Victoria. This was settled on September 24. On April 21 a strike was called by the Great Lakes Pilot Association concerning the use of pilots on foreign shipping on the Great Lakes. The issues involved had not been settled when the 1958 Great Lakes Shipping season ended.

Towards the end of the year a four-day world-wide boycott of ocean-going vessels flying so-called "flags of convenience" i.e., Liberia, Panama, Costa Rica, Honduras, was called by the International Transport Workers Federation. Estimates of the effectiveness of the boycott varied.

Canadian Ports

Over 47 million tons were received or shipped through Canadian Ports during 1958 which exceeded the figures of 1957 by approximately 400,000 tons although still not reaching the outstanding results of 1956. Grain loadings at the port of Churchill showed an increase of approximately 3 million bushels for a total of 19,598,000 bushels, carried in 55 vessels as against 46 in 1957. The situation on the West Coast was slightly different however, showing approximately an 11% reduction over 1957 tonnages. Grain particularly was down about 3 million bushels. The general grain movement during 1958 from all ports was increased by approximately 100 million bushels.

Appendix C shows the flag participation in the carriage of Canada's overseas trade.

Replacement Plan

The depression in freight rates had a strong effect on the market price of war-built vessels which dropped considerably during the year resulting in the sale of only 8 vessels for a net total of \$2,280,000.

As at March 31—156 vessels had been sold since the inception of this plan for a net total of \$99,763,000. Of this figure \$57,764,000 has been used toward the building of new ocean-going ships and \$7,272,000 toward the acquisition of tonnage or the modernization of existing ships. Four ocean-going vessels were building or on order in Canadian shipyards at an aggregate value of \$28,500,000. In addition there were two general cargo vessels aggregating 22,000 deadweight tons building in the United Kingdom for Canadian owners. Escrow funds will be used to contribute towards the cost of these ships.

The amount expended in previous years for the building and modernization of the lake and coastal vessels remains as previously reported at \$30,412,000.

At the end of the period under review there remained on deposit in escrow \$3,602,000, practically all of which is held by owners who are building replacement vessels.

The Transfer Plan

Under this plan which was based upon an arrangement between the Canadian and United Kingdom Governments, a vessel transferred to United Kingdom registry may be returned to Canadian

registry at the request of either Government; during the period of United Kingdom financial controls the Canadian owner was permitted to receive in dollars the net profits earned; the ships will be considered as a Canadian contribution to any allied pooling arrangement set up in an emergency.

Owners of vessels transferred under this plan were originally required to appoint a manager in the United Kingdom who was subject to the supervision and control of the Bank of England and there was an obligation on the part of the owner and manager to secure dollar freights wherever possible. Subsequent to the freer convertibility of sterling in the fall of 1958 the appointment of a Manager and approval of the Bank of England became no longer necessary.

While the clauses in Transfer Agreements referring to these requirements have been suspended the position of vessels under this plan is otherwise unchanged.

On March 31, 1959 there were sixty-one vessels owned by Canadian companies registered in the United Kingdom under this plan the majority of which carried the "flag covenant".

Coasting Trade of Canada

Preliminary estimates of the tonnage moved in Canada's domestic shipping trades during 1958 seem to indicate an increase of well over a million tons in the overall total from the previous year, in spite of a considerable fall off in shipments of some bulk commodities, notably iron ore and limestone. Other bulk movements in the major coastwise trades such as gypsum, ilmenite and coal apparently showed a marked gain in the volume shipped.

Sixty-three United Kingdom-flag vessels carried less tonnage than fifty-four did during the previous year amounting in all to about 13% of the total coastwise cargoes in 1958. Seven ships of other flags shared in less than half of one percent of the total when special waivers of the coastal law permitted limited participation under special circumstances. Twenty of those flying the United Kingdom flag served in established coastal liner services; twenty-five others were engaged in one or more of the bulk movements of major commodities; seven were employed for single voyages only of which two comprised quite small cargoes; two were engaged for two trips each and the balance found employment in miscellaneous trades throughout the season.

Iron ore from Seven Islands to Contrecoeur, gypsum from Little Narrows to Montreal, ilmenite from Havre St. Pierre to Sorel, fluorspar from St. Lawrence to Port Alfred, and copper concentrates from Tilt Cove to Gaspé were carried exclusively in ships of United Kingdom registry. They also shared in more than half the tonnage moving to and from northern waters.

Of the sixty-three British Commonwealth vessels participating, seventeen were part of the Canadian-owned fleet on United Kingdom register, seven were ore carriers and two were tankers. Their distribution according to size was: five over 10,000 gross tons, twenty-five between 9,999 and 5,000 gross tons, fifteen between 4,999 and 2,000 gross tons, twelve between 1,999 and 1,000 gross tons, two between 999 and 500 gross tons and four under 500 gross tons.

The major commodities carried in the coasting trade during 1957 were as follows:

<i>Cargo</i>	<i>Short Tons 000's</i>	<i>%</i>
1. Grain.....	9,654,279	24.0
2. Petroleum Oils and Products.....	8,527,368	21.2
3. Pulpwood and Pulpwood Chips.....	4,956,759	12.3
4. Iron Ore.....	3,743,499	9.3
5. Sand, Gravel and Stone.....	2,097,234	5.2
6. Logs, Posts, Poles, etc.....	1,905,468	4.8
7. Coal and Coke.....	1,887,906	4.7
8. Industrial Minerals.....	988,790	2.5
9. Cement.....	843,285	2.1
10. Limestone.....	389,410	1.0
11. Hoggcd Fuel.....	369,063	.9
12. Gypsum.....	279,192	.7
13. Newsprint and Paper.....	224,188	.6
14. Iron and Steel Bar, etc.....	195,135	.5
15. Other Tanker Cargoes.....	132,622	.3
16. Lumber and Timber.....	121,287	.3
17. All Other Cargo.....	3,856,394	9.6
	<u>40,171,879</u>	<u>100.0</u>

Direct Trade between the Great Lakes and Overseas Ports

Three new services were added during 1958, making a total of twenty-three steamship lines which operated regular ocean services to and from the Great Lakes.

The Commission's records show that one hundred and ninety vessels of non-Canadian, non-United States registry, in tramp and liner services, made five hundred and forty trips to the Great Lakes from overseas ports during 1958.

The distribution of these vessels, according to flag, is as follows:

<i>Registry</i>	<i>Number of Ships</i>	<i>Number of Trips</i>
Danish.....	9	24
Dutch.....	23	52
Finnish.....	4	7
French.....	4	15
German.....	70	231
Italian.....	1	3
Liberian.....	2	2
Norwegian.....	45	113
Panamanian.....	1	2
Swedish.....	17	51
United Kingdom.....	14	40
	<u>190</u>	<u>540</u>

(Not included in the above summary are the six United Kingdom-flag vessels regularly engaged in the Great Lakes/Newfoundland line's service and two foreign-flag tankers permitted to make a total of three coastal voyages on a waiver of the Canadian coastal law).

Shipping Records

Records of all self-propelled vessels of 200 gross tons and over, with information as to ownership, employment and other statistical details are kept up to date in the Commission, as well as reference files on other related subjects of interest to or having effect upon the shipping industry.

The shipping services maintained from Canada during 1958 are shown in Appendix D.

II. Shipbuilding and Ship-repairing

Shipbuilding

During 1958 the sixteen major shipyards delivered fifty-seven vessels, particulars of which are given in Appendix E. Forty-one of these ships were built for commercial owners, two for the Royal Canadian Navy and fourteen for various departments of the Federal Government. The commercial vessels consisted mainly of barges and scows but included four bulk freighters (three for ocean-going and one for Great Lakes service), two oil tankers, one canaller and one package freighter. Two additional destroyer escorts were completed during the year, *H.M.C.S. Restigouche* and *H.M.C.S. St. Croix*. Of the vessels built for departments of government other than National Defence, ten were tugs or smaller craft, two were patrol vessels for the R.C.M.P., one an auto-passenger ferry and one a research trawler for the Department of Fisheries.

Vessels built in the four principal shipbuilding areas aggregated 88,388 gross tons, a figure which of course excludes the naval vessels. The total value of all ships delivered was approximately \$87,649,140. Compared with 1957 there was an increase of 100 per cent in the gross tonnage and a decline of 20 per cent in the dollar value of ships delivered, a decline that may be attributed to the small number of naval ships delivered.

Ship-Repairing

In the ship-repairing branch of the industry the shipyards repaired, refitted or drydocked 1,906 merchant ships and 78 naval vessels. The total value of such work completed during 1958 amounted to \$32,006,585 divided among the four shipbuilding areas as shown below. Compared with 1957 this constitutes a decrease of \$1,124,149 or 3 per cent. There was a substantial increase in the value of such work carried out in the Great Lakes area, unfortunately offset by an even greater decrease in the Pacific Coast area. The St. Lawrence and Atlantic Coast areas showed relatively little change.

	<i>Naval</i>	<i>Merchant</i>	<i>Dollar Value</i>
Pacific Coast.....	7	493	\$ 5,310,980
Great Lakes.....	3	208	8,976,266
St. Lawrence.....	3	613	8,688,980
Atlantic Coast.....	65	592	9,030,359
	<u>78</u>	<u>1,906</u>	<u>\$ 32,006,585</u>

For the purpose of comparison the value of ships delivered and of repairs and conversions carried out in Canadian shipyards from 1951 to 1958 is given in Appendix F.

Employment

The average monthly employment in the industry (16 yards reporting) was 13,076, a decrease of approximately 13 per cent compared with 1957. As may be seen from the table given below, the decline in the level of employment was most marked in the Pacific Coast and St. Lawrence areas; a relatively small decrease occurred in the Atlantic Coast area and for the third year in succession shipyards in the Great Lakes area registered an increase in employment. The figures for the first three months of 1959 suggest that the level of employment is again likely to fall below that of the previous year.

The following table gives the average monthly employment figures in the principal shipbuilding areas during the period 1946-1958.

<i>Year</i>	<i>Number of Yards Reporting</i>	<i>Pacific Coast</i>	<i>Great Lakes</i>	<i>St. Lawrence</i>	<i>Atlantic Coast</i>	<i>Total</i>
1946	16	4,988	2,148	6,272	2,991	16,399
1947	16	4,119	1,485	8,874	2,657	17,135
1948	16	2,949	2,308	8,045	1,976	15,278
1949	16	1,496	2,168	4,230	1,937	9,831
1950	17	1,100	2,202	3,892	1,336	8,530
1951	19	2,080	2,803	5,237	1,913	12,033
1952	19	2,595	3,591	8,092	2,909	17,187
1953	20	2,547	3,082	10,490	3,511	19,630
1954	19	2,555	1,994	7,407	3,544	15,500
1955	17	2,566	1,267	5,448	3,151	12,432
1956	17	3,544	1,494	6,096	2,757	13,891
1957	16	4,000	1,929	6,520	2,536	14,985
1958	16	2,831	2,362	5,537	2,346	13,076

Outlook

The estimated capital cost of all vessels in preparation or under construction as of March 31, 1959 amounted to \$305,862,400. This sum represents orders for nine naval escort vessels, seventeen vessels for other government departments and nineteen merchant ships. Three of the naval vessels are scheduled for delivery during 1959 and the remaining six constitute a new naval shipbuilding programme scheduled for completion during 1962 and subsequent years. Particulars of the other government and merchant ships are given in Appendix G.

The value of shipbuilding now contracted for is substantially greater than it has been for several years past, so that, speaking generally, the outlook for the industry might be considered favourable. It should, however, be noted that by far the greater proportion of orders now in hand are for naval vessels or other government vessels; orders for commercial shipbuilding represent only one-sixth of the total. Commercial orders have not only failed to keep pace with government orders but are actually diminishing in volume. Moreover, almost the entire \$51 million worth of commercial shipbuilding now contracted for is concentrated in the Great Lakes and St. Lawrence areas. Thus, while there is good reason to hope that

the initiation of the new naval shipbuilding programme will contribute to preserving a nucleus of skilled craftsmen for some years to come, the long-term outlook presages a reduction in the present scale of the industry's shipbuilding activities.

In last year's annual report the Commission expressed its conviction that it was most undesirable that any shipyard should come to depend solely upon government shipbuilding or upon naval repairs and refits. It is therefore gratifying to note that certain shipyards have diversified their activities by turning to industrial construction.

The following table gives the estimated value of the vessels in each category in preparation or under construction in the four shipbuilding areas.

	<i>Naval</i>	<i>Other Government</i>	<i>Merchant</i>	<i>Total</i>
Pacific Coast.....	90,302,700	11,800,000	150,200	102,252,900
Great Lakes.....	—	4,460,500	26,798,000	31,258,500
St. Lawrence.....	75,000,000	21,735,000	24,115,000	120,850,000
Atlantic Coast.....	44,403,000	7,098,000	—	51,501,000
	<u>\$209,705,700</u>	<u>\$ 45,093,500</u>	<u>\$ 51,063,200</u>	<u>\$305,862,400</u>

The Canadian Vessel Construction Assistance Act

Appendix H showing the capital cost determinations for each fiscal year since 1950, when the Act came into effect, reveals that the value of capital cost determinations for the fiscal year ending March 31, 1959 was only exceeded in 1952. Capital cost determinations for six large upper lake vessels and two determinations for ocean-going vessels were responsible for the increase in the value of the determinations under the heading "All Types of Cargo Vessels". The decrease in value of determinations for both dredges and barges accounts for the decrease for the non propelled vessels, and new ferries and small passenger craft account for the gain under the heading "Tugs, Fishing Vessels, Ferries, etc.", although an increase of six determinations for new fishing vessels increased the value of the determinations \$92,300. over the previous year for this class of vessel.

The increase in determinations for major alterations is largely due to alterations to existing vessels which will use the St. Lawrence Seaway. The commercial success of the altered vessels and the new large upper lake vessels will mainly determine whether Canadian owners will make further expenditures on new vessels and alterations to existing vessels.

Section 4 of the Act provides that in certain cases where monies resulting from the sale of vessels are used for satisfactory replacement in Canadian yards, the Canadian Maritime Commission may issue certificates which involve freedom from recapture of depreciation. Since the inception of the Act, to March 31, 1959, 98 certificates

have been issued under this Section to 48 applicants. This feature of the Act has materially stimulated the flow of money into new building.

That portion of section 4 which permits a taxpayer to deposit with the Commission an amount equal to the tax which, but for the Act, he would be required to pay, has resulted in a number of such deposits being made. Owners are becoming more aware of this Act and its potential with the result that more money from this source is being channeled into shipbuilding.

This Act together with the present naval programme should be of material assistance to the shipbuilding and repairing industry for some considerable time.

III General

Subsidized Steamship Services

Since its formation under the Canadian Maritime Commission Act, the Commission has administered steamship subventions voted by Parliament.

During the fiscal year 1958-59, subventions were paid for the operation of coastal and inland services only. Twenty-nine services received assistance—two on the West Coast, two on the Great Lakes and twenty-five on the East Coast, including the Canadian National Railways Newfoundland Coastal Services operating on nine different routes on the coasts of Newfoundland and Labrador.

The Vancouver, Bella Coola and Butedale Service, for which subsidy had been approved, was cancelled, and the ports to be served were included in the Vancouver and Northern B.C. Ports Service.

The Vancouver and West Coast of Vancouver Island Service was added to subsidized services.

On the East Coast, the vessel performing the Halifax, Tor Bay, Isle Madame and West Coast of Cape Breton Service was destroyed by fire, and this service was not resumed; however, the ports served east of Mulgrave were included in the Halifax, Canso, Guysborough Service and renamed 'Halifax, Canso, Guysborough and Isle Madame' Service.

A strike of seamen on the West Coast, against Canadian Pacific Railway Steamships, resulted in the temporary cessation of the two subsidized services in the area. However, the Union Steamships served the northernmost ports under contract during the strike. On July 25 following the passage by Parliament of a Special Act the Canadian Pacific Railway Coastal Services were resumed. In the meantime the Northland Navigation Company Limited purchased the two vessels performing the subsidized services; subsequently, agreements were made with the new owners, under the same terms and conditions as before, with subsidy payments on a pro-rata basis for service performed. Service was resumed in August on both routes.

All the services were reviewed and inspected by Commission representatives and surveys made of areas where new or improved services were requested.

The Commission was represented on several interdepartmental groups formed to assess marine transportation and facility requirements of particular areas.

Seven applications for subsidy assistance for services were received, six of which were not recommended, and one of which is under consideration.

Two services serving island communities—the Ile-aux-Coudres and Les Eboulements and the Ile-aux-Grues and Montmagny—have been improved, the former by contracting for a larger vessel with an increased number of crossings, and the latter by contracting for a larger vessel capable of carrying vehicles.

The interprovincial and provincial distribution of subsidy payments for 1958-59 was as follows:

Interprovincial Services

between Quebec, Prince Edward Island and Nova Scotia...	\$174,000
“ Nova Scotia and Prince Edward Island.....	535,748
“ Nova Scotia and New Brunswick.....	33,000
“ New Brunswick and Quebec.....	77,393
“ Prince Edward Island and Newfoundland.....	97,305

Provincial Services

British Columbia.....	257,166
New Brunswick.....	103,600
Newfoundland.....	2,990,878
Nova Scotia.....	194,944
Ontario.....	142,500
Quebec.....	1,122,350

Total.....	<u>\$5,728,884</u>
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Prescott and Ogdensburg.....	\$ 15,000*
P.E.I. and Nova Scotia.....	31,252
(Wood Islands and Caribou)	
P.E.I. and Newfoundland.....	6,695
Cross Point and Campbellton.....	107
Total.....	<u>\$ 53,054</u>

* (Repaid in full)

Park Steamship Company Limited

There continue to be occasional claims relating to personnel employed on vessels during previous operations and these are handled by the staff of the Commission.

While the company is no longer active and has no salaried employees its basic structure is being maintained and could be readily expanded should the need arise.

North Atlantic Treaty Organization

The Tenth meeting of the North Atlantic Treaty Organization's Planning Board for Ocean Shipping was held in Washington in April, 1958. The Commission continues to be the agency chiefly responsible for shipping planning and the Chairman of the Commission acted, as on previous occasions, as Head of the Canadian delegation to this meeting.

A number of Working Committees of the Board held a series of meetings in London in September, 1958; the Commission was represented at these by its Executive Director. The committees dealt with a number of points of detail which had been referred to them

by the Board for report and recommendations to be made at the next meeting of the Board in April, 1959.

Intergovernmental Maritime Consultative Organization (I.M.C.O.)

In February, 1948, a United Nations Maritime Convention met at Geneva to draft the terms of a convention for the setting up of a specialized agency of the United Nations to deal with maritime matters. The terms of the Convention of the Inter-governmental Maritime Consultative Organization (I.M.C.O.) provided for the establishment of the organization when 21 countries had ratified, including 7 countries with fleets over one million tons gross.

For various reasons, the necessary number of ratifications were slow in forthcoming. The I.M.C.O. convention, however, finally entered into force on March 17, 1958.

Under the terms of the Convention the First Assembly should have been convened within three months of this date, but the length of time which had elapsed since the Convention was originally signed made this an administrative impossibility. Consequently the First Assembly was, by general agreement, postponed until January, 1959.

In the meantime a further meeting of the Preparatory Committee was held in New York in June, 1958, under the Chairmanship of the Chairman of the Canadian Maritime Commission. This meeting agreed upon a number of draft papers for submission to the Assembly and made all the necessary arrangements for the convening of the First Assembly.

The objects of I.M.C.O. as laid down in the Convention are as follows:

- (a) to provide machinery for co-operation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade, and to encourage the general adoption of the highest practicable standards in matters concerning maritime safety and efficiency of navigation;
- (b) to encourage the removal of discriminatory action and unnecessary restrictions by Governments affecting shipping engaged in international trade so as to promote the availability of shipping services to the commerce of the world without discrimination; assistance and encouragement given by a Government for the development of its national shipping and for purposes of security does not in itself constitute discrimination, provided that such assistance and encouragement is not based on measures designed to restrict the freedom of shipping of all flags to take part in international trade;
- (c) to provide for the consideration by the Organization of matters concerning unfair restrictive practices by shipping concerns;
- (d) to provide for the consideration by the Organization of matters concerning shipping that may be referred to it by any organ or Specialized Agency of the United Nations;
- (e) to provide for exchange of information among Governments on matters under consideration by the Organization.

The Convention also laid down that the functions of the Organization are consultative and advisory.

The Assembly of the Organization met in London on January 6, 1959, by which time a number of other countries in addition to those whose ratifications had brought the Convention into force had also ratified it and others had signified their intention to do so.

Therefore, the majority of nations having a considerable interest in shipping or shipping services are members of the Organization.

The Chairman of the Canadian Maritime Commission, heading the Canadian delegation to the Assembly, was unanimously elected by the Assembly as its President. The Assembly sat for nearly three weeks and in the course of its proceedings Canada was elected a member of the Council of the Organization and of the Maritime Safety Committee.

The Assembly approved a programme of work for the two year period until its next meeting under which the Organization's activities will be largely confined to the following technical subjects:

- (a) Administrative functions relating to Safety of Life at Sea and Collision Regulations in accordance with the International Convention held in London in 1948.
- (b) Administrative functions relating to the International Code of Signals as entrusted to the International Telecommunications Union at the Atlantic City Convention in 1947.
- (c) Administrative functions relating to the Prevention of the Pollution of the Sea by Oil, as laid down in the International Convention in London in 1954.
- (d) The preparation of an international conference for the adoption of standard regulations for tonnage measurement of ships.

The Assembly appointed a Secretary-General who in turn appointed a Secretary of the Maritime Safety Committee. The Secretary-General is now arranging for staff to fill out the establishment approved by the Assembly.

The Assembly will meet again in April, 1961. In the meantime, under the terms of the Convention, the work of the Organization will be carried out by the Council.

Degaussing of Merchant Ships

The Commission has continued to co-ordinate this work.

During the year under review three ships for Canadian owners, building in Canadian shipyards and destined for transfer to United Kingdom registry under the transfer arrangements, were fitted with degaussing equipment. Four ships built in Canada for coastal operation were also fitted. On March 31 six vessels building for the Department of Transport and one for private coastal operation were in the course of being fitted during construction.

A certain amount of maintenance work on ships previously fitted has been found necessary and arranged at the convenience of the owners.

Military Movements

The Commission continued its co-ordinator's role in the movement of armed services personnel and Canadian government military and mutual aid shipments overseas.

Coasting Laws of Canada

The Commission continues to advise the Department of National Revenue upon applications for the waiving of the Coasting Laws to permit temporary operation of foreign-flag or foreign-built ships in the Canadian Coasting Trade. Before suggesting that any approvals be given, every effort is made to ensure that no qualified ship suitable for the required service is available.

The Commission

The Staff of the Commission on March 31, 1959, numbered twenty-two whose annual salaries, together with salaries paid to Members of the Commission amounted to \$132,472.

I record my gratefulness to the staff of the Commission for its loyalty and co-operation.

Dated at Ottawa the 23rd day of June, 1959.

L. C. AUDETTE,
Chairman.

Appendix A

CANADIAN MERCHANT FLEET

At March 31, 1959

DISTRIBUTION BY TONNAGE GROUPS ACCORDING TO COUNTRY OF ORIGINAL CONSTRUCTION
(Self-propelled Ships of 200 Gross Tons and over, excluding non-commercial vessels, tugs, ferries and the fishing fleet)

Country of Build	200-499 G.T.		500-999 G.T.		1,000-1,999 G.T.		2,000-4,999 G.T.		5,000-9,999 G.T.		10,000 G.T. and over		Totals across	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons
Canada.....	55	17,995	13	8,378	34	56,296	48	121,339	25	185,141	19	254,283	194	643,432
United Kingdom.....	11	4,249	14	10,640	93	165,091	45	111,052	6	34,665	—	—	169	325,697
United States of America	8	2,733	14	9,761	18	29,425	39	156,298	10	59,620	4	42,610	93	300,447
Other Foreign Countries.	2	861	3	2,045	4	5,532	2	5,664	—	—	—	—	11	14,102
Totals down.....	76	25,838	44	30,824	149	256,344	134	394,353	41	279,426	23	296,893	467	1,283,678

CANADIAN MERCHANT FLEET

Self-Propelled Ships of 200 Gross Tons and Over

AS AT MARCH 31, 1959

(excluding non-commercial vessels, tugs, non-seagoing ferries, and the whaling and fishing fleets)

DISTRIBUTION ACCORDING TO YEAR OF ORIGINAL CONSTRUCTION, BY TONNAGE GROUPS

	200-499 G.T.		500-999 G.T.		1,000-1,999 G.T.		2,000-4,999 G.T.		5,000-9,999 G.T.		10,000 G.T. and over		Totals Across	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons
1956-.....	5	1,416	4	2,594	4	5,781	11	29,689	2	15,979	1	15,157	27	70,616
1951-1955.....	2	744	1	510	—	—	12	27,743	7	49,999	14	191,572	36	270,568
1946-1950.....	12	4,705	8	5,044	8	12,114	11	30,465	4	24,328	3	37,074	46	113,730
1941-1945.....	23	7,286	14	9,793	8	11,203	12	36,591	4	28,790	4	42,610	65	136,273
1936-1940.....	10	3,146	1	888	7	10,682	3	6,692	—	—	—	—	21	21,408
1931-1935.....	3	783	2	1,524	7	12,256	—	—	—	—	—	—	12	14,563
1921-1930.....	6	2,039	6	4,924	87	158,407	38	92,588	9	63,855	1	10,480	147	332,293
1911-1920.....	7	2,389	7	4,780	13	19,203	8	18,790	4	28,993	—	—	39	74,155
1901-1910.....	5	2,209	—	—	10	17,596	23	83,460	9	55,432	—	—	47	158,697
1900- and earlier.....	3	1,121	1	767	5	9,102	16	68,335	2	12,050	—	—	27	91,375
Totals down.....	76	25,838	44	30,824	149	256,344	134	394,353	41	279,426	23	296,893	467	1,283,678

Appendix D

LINER SERVICES FROM CANADA, 1958

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to the United Kingdom and Eire.....	10 British 2 Canadian* 1 Dutch 1 German 1 Greek	1 Irish 1 Italian 1 Norwegian/Dutch 1 Polish 1 Swiss	38
St. Lawrence and Atlantic Ports to North and North West Europe.....	2 British 3 Canadian* 2 Dutch 4 German 1 Greek 1 Italian	2 Norwegian 1 Norwegian/Dutch 1 Polish 2 Swedish 1 Swiss	23
Great Lakes Ports to the United Kingdom.	8 British 1 German	1 Norwegian/Dutch 1 Swedish	18
Great Lakes Ports to North and North West Europe.....	1 Finnish 2 German 1 Norwegian	1 Norwegian/Dutch 3 Swedish 1 Swedish/French	27
Pacific Coast Ports to the United Kingdom and North and North West Europe....	1 American 2 British 1 Canadian* 1 Danish 1 Dutch/British 1 French	1 German 1 German/Finnish 2 Japanese 2 Norwegian 1 Swedish	21
St. Lawrence and Atlantic Ports to the Mediterranean.....	1 British/German/Egyptian 1 Canadian*/Italian 1 Israeli		4
Great Lakes Ports to the Mediterranean..	1 British/French 1 Canadian*/Italian 1 Swedish/Dutch		7
Pacific Coast Ports to the Mediterranean..	2 Italian		2
St. Lawrence and Atlantic Ports to the Caribbean.....	1 British 1 Canadian* 1 Swedish	1 Canadian*/ Jamaican 1 Colombian/ Ecuadorean	21
Great Lakes Ports to the Caribbean.....	1 Canadian*	1 German	3

*Most Canadian lines chartered non-Canadian ships to furnish or to augment the cargo liner service.

LINER SERVICES FROM CANADA, 1958—*Concluded*

Service	Number and Nationality of Lines		Average Sailings per Month
Pacific Coast Ports to the Caribbean.....	1 American 1 Canadian*	2 Japanese 1 Panamanian	5
St. Lawrence and Atlantic Ports to West, South and East Africa.....	1 British	1 Norwegian	2
Pacific Coast Ports to South and East Africa.....	1 Dutch/ Norwegian	1 Japanese	2
St. Lawrence and Atlantic Ports to India and Persian Gulf.....	1 British		1
Pacific Coast Ports to India and Persian Gulf.....	1 American	1 Dutch/Norwegian	3
St. Lawrence and Atlantic Ports to the East Coast of South America.....	1 American 1 German	1 Swedish	5
Pacific Coast Ports to the East Coast of South America.....	1 American	2 Japanese	3
Pacific Coast Ports to the West Coast of South America.....	1 American 1 Chilean 1 Norwegian**	1 Colombian/ Ecuadorean	7
St. Lawrence and Atlantic Ports to Australia and New Zealand.....	1 British		2
Pacific Coast Ports to Australia and New Zealand.....	1 American 1 British 1 German	1 New Zealand 1 Swedish	4
St. Lawrence and Atlantic Ports to the Far East.....	2 British 1 Danish	1 Dutch	5
Pacific Coast Ports to the Far East.....	3 American 5 Japanese	2 Norwegian 1 Norwegian/ Swedish	14
Pacific Coast Ports to the South Sea Islands.....	1 Norwegian		1
Pacific Coast Ports to California.....	1 Norwegian		2
Pacific Coast Ports to U.S. Pacific Coast, Gulf and Atlantic Coast.....	1 Japanese		1
Round the World from Atlantic Ports....	1 American		One westbound every three weeks

*Most Canadian lines chartered non-Canadian ships to furnish or to augment the cargo liner service.

** (and via Straits of Magellan to the East Coast of South America)

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1958

Shipyard and Name of Vessel	Type of Vessel	Power Plant	Gross Tons	Name of Owner
YARROWS LIMITED				
<i>Siber Viking II</i>	Fishing Vessel.....	304 b.h.p. Diesel.....	138	Rose N. Fishing Co. Ltd.
<i>Gilley No. 41</i>	Steel Barge.....	Non-prop.....	669	Gilley Bros. Ltd.
<i>Island Tug 64</i>	Steel Barge.....	Non-prop.....	583	Island Tug & Barge Ltd.
<i>D.M. 60</i>	Steel Barge.....	Non-prop.....	759	T. G. McBride Co. Ltd.
<i>R.L. 27</i>	Steel Barge.....	Non-prop.....	597	Red Barge Line Ltd.
<i>V.T. No. 80</i>	Steel Barge.....	Non-prop.....	597	Morrison Steel & Wire Co. Ltd.
<i>V.T. No. 63</i>	Steel Barge.....	Non-prop.....	597	Vancouver Tug Boat Co. Ltd.
<i>R.L. 28</i>	Steel Barge.....	Non-prop.....	597	Red Barge Line Ltd.
<i>V.T. No. 64</i>	Steel Barge.....	Non-prop.....	597	Vancouver Tug Boat Co. Ltd.
<i>Barco 101</i>	Steel Barge.....	Non-prop.....	597	Barco Industries Ltd.
<i>Barco 102</i>	Steel Barge.....	Non-prop.....	597	Barco Industries Ltd.
<i>Barco 103</i>	Steel Barge.....	Non-prop.....	597	Barco Industries Ltd.
<i>Barco 104</i>	Steel Barge.....	Non-prop.....	597	Barco Industries Ltd.
<i>Straits No. 103</i>	Steel Barge.....	Non-prop.....	597	F. R. Brown & R. L. Cliff
VICTORIA MACHINERY DEPOT CO. LTD.				
<i>Arctic</i>	Steel Barge.....	Non-prop.....	798	Arctic Shipping Limited
<i>Eslington II</i>	Snag Boat.....	600 h.p. 1/S Diesel.....	453	Dept. of Public Works
BURRARD DRY DOCK CO. LTD.				
<i>G. of G. No. 100</i>	Steel Scow.....	Non-prop.....	352	Gulf of Georgia Towing Co. Ltd.
<i>G. of G. No. 101</i>	Steel Scow.....	Non-prop.....	352	Gulf of Georgia Towing Co. Ltd.
PORT ARTHUR SHIPBUILDING LTD.				
<i>Nipigon Bay (Major Conversion)</i>	Bulk Freighter.....	4,500 s.h.p. S/S Turbine....	13,274	Canada Steamship Lines Ltd.
THE COLLINGWOOD SHIPYARDS LTD.				
<i>Fort York</i>	Package Freighter.....	5,500 s.h.p. S/S Turbine....	6,021	Canada Steamship Lines Ltd.
<i>Stadacona (Major Conversion)</i>	Self-unloading Collier.....	1,800 i.h.p. S/S Steam.....	9,486	Canada Steamship Lines Ltd.
<i>Tyee Shell</i>	Oil Tanker.....	1,600 s.h.p. S/S Diesel.....	1,599	Shell Canadian Tankers Ltd.

PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1958—Continued

Shipyards and Name of Vessel	Type of Vessel	Power Plant	Gross Tons	Name of Owner
RUSSEL-HIPWELL ENGINES LTD.				
<i>R.C.L. No. 11</i>	Tug.....	400 s.h.p. Diesel.....	20	Russell Construction Co. Ltd.
<i>R.C.L. No. 12</i>	Tug.....	800 s.h.p. Diesel.....	43	Russell Construction Co. Ltd.
<i>L.C.M. No. 87</i>	Landing Craft.....	130 s.h.p. T/S Diesel.....	30	Department of Transport
<i>L.C.M. No. 88</i>	Landing Craft.....	130 s.h.p. T/S Diesel.....	30	Department of Transport
<i>L.C.M. No. 89</i>	Landing Craft.....	130 s.h.p. T/S Diesel.....	30	Department of Transport
<i>Translake Drill No. 2</i>	Drill Barge.....	Non-prop.....	43	Translake Drilling Ltd.
<i>Translake Drill No. 3</i>	Drill Barge.....	Non-prop.....	55	Translake Drilling Ltd.
PORT WELLER DRY DOCKS LTD.				
<i>Frank A. Sherman</i>	Bulk Freighter.....	7,500 s.h.p. S/S Turbine....	15,157	Port Weller Dry Dock Co. Ltd.
<i>Andrew B.</i>	Dredge.....	Non-prop.....	388	Russell Construction Co. Ltd.
KINGSTON SHIPYARDS LTD.				
<i>McNCO No. 30</i>	Steel Scow.....	Non-prop.....	321	McNamara Construction Ltd.
<i>McNCO No. 31</i>	Steel Scow.....	Non-prop.....	306	McNamara Construction Ltd.
<i>R.C.L.D. 35</i>	Steel Scow.....	Non-prop.....	254	Russell Construction Ltd.
<i>R.C.L.D. 36</i>	Steel Scow.....	Non-prop.....	254	Russell Construction Ltd.
<i>S.L.S. No. 86</i>	Steel Scow.....	Non-prop.....	422	St. Lawrence Seaway Authority
<i>S.L.S. No. 87</i>	Steel Scow.....	Non-prop.....	422	St. Lawrence Seaway Authority
<i>Sirocco</i>	Yacht.....	300 s.h.p. T/S Diesel.....	25	Gulf & Lake Navigation Co. Ltd.
<i>Fort Steele</i>	Patrol Vessel.....	1,400 s.h.p. T/S Diesel.....	215	Royal Canadian Mounted Police
CANADIAN VICKERS LTD.				
<i>Alexander T. Wood</i>	Ore Carrier.....	6,800 b.h.p. S/S Diesel.....	14,326	Westriver Ore Transportation Ltd.
<i>H.M.C.S. Restigouche</i>	Escort Vessel.....	T/S Turbine.....	—	Royal Canadian Navy
<i>Avery C. Adams</i>	Ore Carrier.....	7,200 b.h.p. S/S Diesel.....	14,217	Wilson Shipping Corporation Ltd.
MARINE INDUSTRIES LTD.				
<i>A. T. Cameron</i>	Research Trawler.....	1,000 b.h.p. Diesel.....	753	Department of Fisheries
<i>Maplebranch</i>	Oil Tanker.....	3,200 b.h.p. Diesel.....	4,463	Branch Lines Ltd.

Appendix F

VALUE OF SHIPS DELIVERED AND OF REPAIRS AND CONVERSIONS CARRIED OUT IN CANADIAN SHIPYARDS 1951-1958

Shipbuilding	1951	1952	1953	1954	1955	1956	1957	1958
	\$	\$	\$	\$	\$	\$	\$	\$
PACIFIC COAST								
Shipbuilding.....	601,001	3,021,670	287,835	14,020,684	2,470,000	3,765,960	53,837,870	2,030,940
Repairs and Conversions.....	6,603,553	7,217,901	7,335,846	5,037,300	8,138,654	9,465,965	11,098,523	5,310,980
	7,204,554	10,239,571	7,623,681	19,057,984	10,608,654	13,231,925	64,936,393	7,341,920
GREAT LAKES								
Shipbuilding.....	8,256,600	31,075,024	3,502,850	32,514,789	6,643,600	3,951,600	12,461,820	17,031,200
Repairs and Conversions.....	4,636,319	4,679,525	5,926,099	5,276,251	2,895,745	3,975,387	3,917,132	8,976,266
	12,892,919	35,754,549	9,428,949	37,791,040	9,539,345	7,926,987	16,378,952	26,007,466
St. LAWRENCE								
Shipbuilding.....	4,047,053	6,282,390	40,325,000	38,689,200	37,783,150	48,100,400	14,545,600	64,919,000
Repairs and Conversions.....	7,345,077	14,717,394	21,254,741	14,108,262	7,898,312	10,377,731	9,373,341	8,688,980
	11,392,130	20,999,784	61,579,741	52,797,462	45,681,462	58,478,131	23,918,941	73,607,980
ATLANTIC COAST								
Shipbuilding.....	—	1,604,250	300,000	7,950,000	370,000	17,916,000	28,713,900	3,668,000
Repairs and Conversions.....	5,750,231	11,147,247	16,570,462	13,722,715	8,107,094	6,021,147	8,741,738	9,030,359
	5,750,231	12,751,497	16,870,462	21,672,715	8,477,094	23,937,147	37,455,638	12,698,359
SUMMARY								
Shipbuilding.....	12,904,654	41,982,334	44,415,685	93,174,673	47,266,750	73,733,960	109,559,190	87,649,140
Repairs and Conversions.....	24,335,180	37,762,067	51,097,148	38,144,528	27,039,805	29,840,230	33,130,734	32,006,585
	37,239,834	79,744,401	95,512,835	131,319,201	74,305,555	103,574,190	142,689,924	119,655,725

PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1959

Shipyard and Hull No.	Type	Power Plant	Estimated D.W.T.	Name of Owner
YARROWS LIMITED <i>C.G.S. Camell</i> (Hull sub-contracted to Burrard)				
VICTORIA MACHINERY DEPOT CO. LTD. 85..... 86.....	Icebreaker & Buoy Vessel..... Steel Barge..... Pass & Auto Ferry.....	4,250 s.h.p. T/S Diesel Elec..... Non-prop..... 6,000 b.h.p. T/S Diesel.....	— 798 2,880	Department of Transport Artic Shipping Ltd. B.C. Toll & Bridge Authority
BURRARD DRY DOCK CO. LTD. 306..... 309.....	Supply & Buoy Vessel..... Pass. & Auto Ferry.....	2,900 s.h.p. T/S Diesel Elec..... 6,000 b.h.p. T/S Diesel.....	— 2,880	Department of Transport B.C. Toll & Bridge Authority
PORT ARTHUR SHIPBUILDING LTD. <i>Alexander Henry</i> <i>B. A. Peerless</i> (Conversion).....	Icebreaker, Supply & Buoy Vessel..... Oil Tanker.....	3,500 b.h.p. T/S Diesel..... 4,500 s.h.p. S/S Turbine.....	900 18,000	Department of Transport British American Oil Co. Ltd.
THE COLLINGWOOD SHIPYARDS <i>Menthek Lake</i> 164..... 165.....	Bulk Freighter..... Bulk Freighter..... Bulk Freighter.....	8,500 s.h.p. S/S Turbine..... 8,500 s.h.p. S/S Turbine..... 8,500 s.h.p. S/S Turbine.....	24,500 24,500 24,500	Carryore Ltd. Canada Steamship Lines Ltd. Carryore Ltd.
PORT WELLER DRY DOCKS LTD. <i>Seaway Queen</i>	Bulk Freighter.....	7,500 s.h.p. S/S Turbine.....	23,800	Upper Lakes Shipping Ltd.
RUSSEL-HIPWELL ENGINES LTD. 1162..... 1172..... 1177.....	Survey Vessel..... Tug..... Steel Scow.....	1,000 s.h.p. T/S Diesel Elec..... 400 s.h.p. Diesel..... Non-prop.....	500 27 26	Department of Transport Marathon Corporation of Canada Ltd. Paradis & Sons Ltd.
KINGSTON SHIPYARDS LTD. 74..... 83-86.....	Lightship..... 4 scows.....	T/S Diesel..... Non-prop.....	— —	Department of Transport McNamara Construction Co. Ltd.
CANADIAN VICKERS LTD. <i>C.G.S. Wolfe</i> 274.....	Icebreaker & Supply Vessel..... Patrol Vessel.....	4,000 i.h.p. S/S Steam..... 2,150 b.h.p. Diesel.....	— —	Department of Transport Department of Fisheries
MARINE INDUSTRIES LTD. 237..... 258.....	Tug..... Search & Rescue Vessel.....	958 b.h.p. Diesel..... 2,900 b.h.p. Diesel.....	— —	Sinannes McNaughton Lines Ltd. Department of Transport

PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1959—*Concluded*

Shipyard and Hull No.	Type	Power Plant	Estimated D.W.T.	Name of Owner
DAVIE SHIPBUILDING LTD. <i>Sir Humphrey Gilbert</i>	Icebreaker.....	4,250 s.h.p. T/S Diesel Electric.....	1,000	Department of Transport
<i>Estimo</i>	Cargo Vessel.....	3,200 s.h.p. Diesel.....	6,500	Canada Steamship Lines Ltd.
616.....	Oil Tanker.....	16,000 s.h.p. S/SSSteam.....	40,000	Federal Tankers Ltd.
619.....	Oil Tanker.....	16,000 s.h.p. S/S Steam.....	40,000	Papachristidis Tankers Ltd.
620.....	Icebreaker.....	15,000 s.h.p. T/S Diesel Electric.....	3,380	Department of Transport
GEO. T. DAVIE & SONS LTD. 71.....	Sounding Vessel.....	1,280 h.h.p. T/S Diesel.....	900	Department of Transport
72.....	Buoy Vessel.....	760 h.h.p. T/S Diesel.....	340	Department of Transport
SAINT JOHN DRY DOCK CO. LTD. 39.....	Supply & Buoy Vessel.....	2,000 h.h.p. T/S Diesel.....	850	Department of Transport
HALIFAX SHIPYARDS LTD. <i>Sir William Alexander</i>	Supply & Buoy Vessel.....	4,250 s.h.p. Diesel Elec.....	1,610	Department of Transport
FERGUSON INDUSTRIES LTD. 130 & 131.....	Dump Scows.....	Non-prop.....	30 ea.	Gulf Services Ltd.
132.....	Tug.....	150 h.h.p. S/S Diesel.....	15	Gulf Services Ltd.
133.....	Steel Scow.....	Non-prop.....	100	Gulf Services Ltd.
134.....	Auto-pass Ferry.....	1,000 h.p. T/S Diesel.....	700	Department of Transport

Appendix H

CAPITAL COST DETERMINATIONS MADE WITH RESPECT TO VOLUNTARY APPLICATIONS FOR THE BENEFITS OF CLAUSE 3 OF THE CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT

Fiscal Year	DETERMINATIONS WITH RESPECT TO NEW CONSTRUCTION										DETERMINATIONS WITH RESPECT TO CONVERSIONS AND MAJOR ALTERATIONS	
	All Types of Cargo Vessels			Dredges, Scows and Barges		Tugs, Fishing Vessels, Ferries, Etc.			Total Determinations			
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value		
1950/51.....	1	3,136,716.19	2	\$ 153,729.23	1	\$ 57,365.54	4	\$ 3,348,310.96	17	\$ 1,468,496.33		
1951/52.....	6	9,127,824.52	6	251,115.88	11	1,177,791.17	23	10,556,731.57	16	1,113,820.56		
1952/53.....	14	26,541,152.70	10	507,509.79	12	1,060,349.26	36	28,109,011.75	21	4,387,848.89		
1953/54.....	8	18,841,346.88	19	987,490.10	41	1,026,306.06	68	20,855,143.04	17	3,213,387.25		
1954/55.....	9	14,516,710.26	21	2,007,693.09	19	1,192,126.38	49	17,716,529.73	19	4,053,255.33		
1955/56.....	9	2,795,475.19	37	3,532,817.18	16	1,310,892.58	62	7,639,184.95	10	2,390,890.59		
1956/57.....	15	12,344,718.98	54	4,424,785.07	26	1,249,511.89	95	18,019,015.94	15	2,158,084.16		
1957/58.....	8	8,207,693.36	35	5,581,527.51	29	1,726,183.70	72	15,515,404.57	9	1,233,670.72		
1958/59.....	12	20,766,881.43	36	3,496,436.58	27	3,014,925.20	75	27,278,243.21	38	2,749,217.13		

NOTE: The number of capital cost determinations should not be taken to indicate the number of vessels built or altered because interim determinations are often issued for each fiscal year expenditures are made with respect to the capital cost construction or major alterations.

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Canada. Maritime Commission. Government
Publications

THIRTEENTH REPORT
OF THE
CANADIAN
MARITIME COMMISSION

JUNE 28th, 1960



**SUBMITTED UNDER THE PROVISIONS OF THE CANADIAN
MARITIME COMMISSION ACT, 1947.**

Price 15 cents.

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THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

Price 15 cents. Cat. No. TMI-60.

The Honourable GEORGE HEES, P.C., M.P.,
Minister of Transport,
Ottawa.

Sir,

In conformity with the provisions of Section 13 of the Canadian Maritime Commission Act, 1947, I have the honour to submit herewith the thirteenth report of the Canadian Maritime Commission, covering the period between April 1, 1959, and March 31, 1960.

I have the honour to be Sir,

Your obedient servant,

A. WATSON,

Chairman.

OTTAWA,
June 28th, 1960.

TABLE I
CANADIAN MERCHANT FLEET
(Ships of 1,000 Gross Tons and Over)

	<i>March 31, 1959</i>		<i>March 31, 1960</i>	
<i>Ocean-Going Ships in Foreign Trade</i>	<i>No.</i>	<i>Gross Tons</i>	<i>No.</i>	<i>Gross Tons</i>
War-built cargo ships	3	21,550	5	35,848
10,000 Tonners.....	2	5,664	3	10,126
Other cargo ships.....	5	27,214	8	45,974
Tankers.....	8	90,005	8	90,203
	13	117,219	16	136,177
<i>Ships in Coasting Trade</i>				
Dry cargo and passenger ships.....	52	162,706	54	167,383
Tankers.....	9	21,442	10	26,122
	61	184,148	64	193,505
<i>Lakes Fleet</i>				
Dry cargo and passenger ships.....	233	834,033	223	853,450
Tankers.....	40	91,616	38	74,298
	273	925,649	261	927,748
SUMMARY				
Dry cargo and passenger ships.....	290	1,023,953	285	1,066,807
Tankers.....	57	203,063	56	190,623
	347	1,227,016	341	1,257,430

SHIPS UNDER UNITED KINGDOM REGISTRY

Retained under U.K. Registry.....	23	164,091	19	135,534
Transferred to U.K. Registry.....	38	309,833	11	80,726
Supply ships on loan.....	5	36,381	5	36,381
	66	510,305	35	252,641

THIRTEENTH ANNUAL REPORT

I. Shipping

This report covers the period from April 1, 1959 to March 31, 1960, except where otherwise indicated.

It will be noted from Table I on the opposite page that the Canadian registered merchant fleet remained relatively stable during the twelve months under review. However, a substantial decline occurred in that part of the ocean-going fleet which is registered in the United Kingdom.

Three cargo vessels were added to the ocean-going section of the fleet; these were the new Canadian-built motor ship *Eskimo* and the *Federal Pioneer* and *Federal Voyager*, both of which returned to Canadian registry after having been operated for a period under the United Kingdom. The conversion of the former Great Lakes tanker *B.A. Peerless* for ocean-going service offset the loss resulting from the scrapping of *Imperial Edmonton*.

Additions to the coasting fleet comprised the new British Columbia Provincial Government Ferry *Sidney*, and two medium sized freighters *Federal Explorer* and *Federal Express*, which returned to Canadian registry. The 35-year old *Lady Alexandra*, was sold, reportedly for use as a floating restaurant in the Vancouver area. With the opening of the St. Lawrence Seaway the tanker *Imperial Quebec*, previously confined to the Great Lakes on account of her deep draft was enabled to enter the Great Lakes and Atlantic Coast service for which she was designed.

The opening of the Seaway also accounted for some major changes in the composition of the Great Lakes fleet. No less than twelve old canallers, with a combined tonnage of 21,877 gross tons and ranging in age from 31 to 57 years, were either sold for scrap or converted to barges. These were *Acadian*, *George M. Carl*, *Grovedale*, *J. G. Irwin*, *Meaford*, *Penetang*, *Shelton Weed*, *David Barclay*, *Edwin T. Douglass*, *John B. Richards*, *Norman B. MacPherson* and *Picton*. Nine other of the old canallers were enlarged, thereby increasing their carrying capacity by 8,218 gross tons. These were the *Belvoir*, *Eastcliffe Hall*, *Francliffe Hall*, *Griffon*, *Hutchcliffe Hall*, *Metis*, *Southcliffe Hall*, and *Tecumseh*.

Two very large Canadian-built freighters have been added to the Great Lakes fleet. These are the *Menihek Lake* of 17,023 gross tons and the *Seaway Queen* of 16,053 gross tons. In carrying capacity these vessels more than offset the loss occasioned by the scrapping of the 12 canallers previously referred to. In fact, during 1959 the tonnage of shipping on the Great Lakes registered a net gain of 19,417 gross tons.

TABLE II
CANADIAN MERCHANT FLEET
Self-Propelled Ships of 200 Gross Tons and Over
As at March 31, 1960
(excluding non-commercial vessels, tugs, non-seagoing ferries, and the whaling and fishing fleets)
DISTRIBUTION ACCORDING TO COUNTRY OF ORIGINAL CONSTRUCTION, BY TONNAGE GROUPS

Country of Build	200-499 G.T.		500-999 G.T.		1,000-1,999 G.T.		2,000-4,999 G.T.		5,000-9,999 G.T.		10,000 G.T. and over		Totals across	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons
Canada.....	55	17,780	14	8,801	31	49,695	53	143,023	27	199,439	21	285,621	201	704,359
United Kingdom.....	12	4,617	14	10,572	83	147,391	45	111,052	6	34,665	—	—	160	308,297
United States of America	8	2,767	13	9,223	17	27,522	39	156,298	10	59,620	3	31,908	90	287,338
Other Foreign Countries.	2	861	4	2,896	4	5,532	2	5,664	—	—	—	—	12	14,953
Totals Down.....	77	26,025	45	31,492	135	230,140	139	416,037	43	293,724	24	317,529	463	1,314,947

TABLE III
CANADIAN MERCHANT FLEET
Self-Propelled Ships of 200 Gross Tons and Over
AS AT MARCH 31, 1960
(excluding non-commercial vessels, tugs, non-seagoing ferries, and the whaling and fishing fleets)

DISTRIBUTION ACCORDING TO YEAR OF ORIGINAL CONSTRUCTION BY TONNAGE GROUPS

	200-499 G.T.		500-999 G.T.		1,000-1,999 G.T.		2,000-4,999 G.T.		5,000-9,999 G.T.		10,000 G.T. and over		Totals Across	
	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons	No.	Gross Tons
1956—.....	6	1,641	5	3,401	4	5,781	13	39,423	2	15,979	3	48,233	33	114,458
1951-1955.....	2	723	1	510	—	—	12	32,375	7	49,999	14	189,834	36	273,441
1946-1950.....	10	4,066	9	5,367	6	8,143	13	35,726	4	24,328	3	37,074	45	114,704
1941-1945.....	22	7,093	14	9,965	9	12,243	12	36,591	6	43,088	3	31,908	66	140,888
1936-1940.....	11	3,393	1	888	7	10,682	3	6,692	—	—	—	—	22	21,655
1931-1935.....	3	762	2	1,524	7	12,256	—	—	—	—	—	—	12	14,542
1921-1930.....	6	2,039	6	4,924	76	138,723	39	94,645	9	63,855	1	10,480	137	314,666
1911-1920.....	9	3,110	7	4,913	12	17,517	8	18,790	4	28,993	—	—	40	73,323
1901-1910.....	5	2,077	—	—	9	15,693	23	83,460	9	55,432	—	—	46	156,662
1900-and earlier.....	3	1,121	—	—	5	9,102	16	68,335	2	12,050	—	—	26	90,608
Totals Down.....	77	26,025	45	31,492	135	230,140	139	416,037	43	293,724	24	317,529	463	1,314,947

The tonnage of Canadian owned ships on United Kingdom registry was reduced by more than half, largely through the sale of eleven ships for operation under foreign flag and by the transfer of seven others to parent companies in the United Kingdom. As of March 31, 1960, no less than 85,634 gross tons of the remainder were laid up. On the same date a further 116,512 gross tons of Canadian registered vessels were laid up, the greater part consisting of canallers of from 30 to 60 years of age. Tables II and III show the distribution by tonnage groups of the merchant fleet according to the country and the year of build.

Freight Market Observations

During the first half of the period under review, freight rates showed little improvement over those recorded during 1958. The direct movement of grain overseas from the Great Lakes made possible by the St. Lawrence Seaway resulted in a saving of about three cents per bushel compared with the cost of shipping from the Lakehead via Port Colborne and Montreal.

During the second half of the period, mainly in response to the demand for grain in Europe owing to poor crops, freight rates increased to a slight extent. The general freight market has improved a little since last summer, but fixtures for grain cargoes from the Great Lakes to United Kingdom and Western Europe have been at only very slightly higher rates than those in effect last summer.

Labour

During 1959 a jurisdictional dispute between the Seamen's International Union and the Canadian Brotherhood of Railway Employees and General Transport Workers' Union resulted in a strike that lasted 20 days and tied up the fleet of Northland Navigation Company on the British Columbia coast. This caused a dislocation of the two subsidized services on the West Coast.

In order to maintain basic supplies to the communities served by these essential services, the Commission arranged for a temporary service from Port Alberni to ports on the west coast of Vancouver Island, and also concluded negotiations for a temporary service from Prince Rupert to Portland Canal and Alice Arm ports. The sudden ending of the strike after one trip on the west coast of Vancouver Island had been made, but before the inauguration of the temporary northern service, enabled Northland to resume operations.

On the Newfoundland Coastal Steamship Services, operated by the Canadian National Railways, an agreement was reached between the Company and the Canadian Brotherhood of Railway Employees and General Transport Workers' Union, which in addition to some adjustment in wage scales, and other fringe benefits, instituted a 40-hour week. This necessitated the addition of nearly 200 extra crewmen on the ships and was the main contributing cause of the

large increase in the operating deficit which is met by payment of subsidy.

Canadian Ports

During the year 1959 a total of 165,862,235 tons of cargo was handled at Canadian ports. This represents an increase of 11.6 per cent over the previous year's total. Cargoes loaded for and unloaded from foreign countries rose by $19\frac{1}{2}$ per cent and the volume of cargo handled in coastwise shipping increased by 4.4 per cent.

Table IV shows the participation of Canadian and other flag vessels in the movement of dry cargo tonnage in overseas trade, excluding trade with or via the United States.

Replacement Plan

During the year under review there was increased activity in the market for war-built ships in spite of the low prices being obtained. As of March 31, 1960, seventeen such vessels were sold for \$2,826,000 under the provisions of the Replacement Plan. Since the inception of the plan, 173 vessels have been sold for a total of \$102,589,000. There now remain under Canadian ownership only thirty-six war-built vessels, most of which are still profitably employed.

The money derived from the sale of vessels under the Plan has been expended toward the building of new ships as indicated below:—

Ocean-going Ships—Construction, Acquisition and Modernization	\$ 70,568,000
Great Lakes and Coastal Ships—Construction and Modernization	30,552,000
Balance on Deposit in Escrow	1,469,000
	<hr/>
	\$102,589,000

The money made available under the Plan has been used for the construction in Canadian shipyards of some notable vessels; among them were several large ore carriers, two 28,000-ton tankers and two 40,000-ton tankers, the latter being the largest vessels ever built in Canada. Most of the money remaining on deposit is already destined for new shipbuilding.

Transfer Plan

On March 31, 1960, there were thirty-five vessels owned by Canadian companies but registered in the United Kingdom under the Transfer Plan. The majority of these vessels are subject to a flag covenant under which permission must be obtained from the Government before they may be sold abroad. They will be considered as a Canadian contribution to any allied shipping pool arrangement that may be set up in an emergency. However, with the removal of the obligation hitherto imposed on their United Kingdom managers to secure dollar freights, the special transfer arrangements are no longer quite so beneficial to Canadian shipowners.

TABLE IV
FLAG PARTICIPATION IN THE CARRIAGE OF CANADA'S OVERSEAS TRADE

DRY CARGO ONLY

(Trade with or via the United States of America excluded)

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Total Dry Cargo Exports and Imports (Tons of 2,000 pounds) ('000's).....	16,327	15,168	17,046	15,342	21,570	25,814	24,837	23,066	29,860	30,068	29,072	27,141
Percentage carried in—												
Canadian-flag ships.....	20.2	17.9	13.6	9.9	7.9	6.4	4.3	2.1	2.4	1.4	1.0	.2
United Kingdom-flag ships.....	45.2	46.3	43.1	48.8	40.6	35.4	34.0	33.8	29.2	31.3	30.0	32.2
Norwegian-flag ships.....	3.4	9.3	11.9	11.5	10.2	12.4	13.5	15.1	13.3	13.7	15.4	15.8
Panamanian-flag ships.....	—	2.6	4.8	4.8	5.9	6.7	7.6	7.4	10.8	5.2	4.8	2.2
American-flag ships.....	19.9	7.7	4.3	5.1	8.6	4.8	2.8	2.5	4.6	2.4	2.1	1.5
Netherlands-flag ships.....	—	—	—	—	—	3.0	4.0	4.1	2.9	4.2	3.7	3.2
Greek-flag ships.....	—	1.6	4.3	3.7	4.6	3.0	3.8	3.7	2.7	2.1	2.9	2.1
Swedish-flag ships.....	1.8	2.9	6.8	3.2	3.5	3.8	3.0	3.4	3.8	3.9	4.2	4.1
German-flag ships.....	—	—	—	—	—	4.2	6.1	5.8	5.4	10.0	8.9	9.8
Japanese-flag ships.....	—	—	—	—	—	4.8	3.8	3.0	3.8	5.4	5.0	6.5
Liberian-flag ships.....	—	—	—	—	—	1.4	3.1	6.2	11.2	9.6	10.0	11.8
Italian-flag ships.....	—	—	—	—	—	—	—	—	—	—	4.1	4.2
Ships of other flags.....	9.5	11.7	11.2	13.0	18.7	14.1	14.0	12.9	9.9	10.8	7.9	6.4
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

NOTE: The sign — indicates the respective totals are included in "ships of other flags" for that year.

Ocean Liner Services

Liner services operated from Canadian ports increased by approximately 18 per cent in 1959. As might have been expected, the most significant expansion in these services took place in the Great Lakes. Ten of the established lines increased their carrying capacity last season by bringing back into service twenty-two vessels which had been undergoing alterations for that purpose. Nine new liner services were established, and five new vessels specially built for operation through the Seaway were added to existing services. Six lines extended their services into the Great Lakes, one of them introducing a direct line to South East African ports.

Seven new liner services were inaugurated from St. Lawrence and Atlantic Coast ports, but, owing to reductions in existing services, sailings during the year were somewhat fewer. Direct services were for the first time made available from Eastern Canada to the east coast of Central America and to the west coast of South America.

Although one line cancelled its services from the Pacific Coast, eleven others increased their sailings in established trade routes by approximately six per month. There are no less than nine Japanese lines now offering liner services from Western Canada to most trading areas.

Table V shows the liner services available from Canadian ports during 1959.

TABLE V
LINER SERVICES FROM CANADA, 1959

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to the United Kingdom and Eire.....	10 British 1 Canadian* 1 German 1 Greek	1 Irish 1 Italian 1 Norwegian/Dutch 1 Polish	36
St. Lawrence and Atlantic Ports to North and North West Europe.....	2 British 2 Canadian* 2 Dutch 4 German 1 Greek	1 Italian 2 Norwegian 1 Norwegian/Dutch 1 Polish 1 Swedish	16
Great Lakes Ports to the United Kingdom.	9 British 1 Canadian*/ Unknown 1 Finnish	1 Norwegian/Dutch 1 Swedish	20

*Most Canadian lines chartered non-Canadian ships to furnish or to augment the cargo liner service.

LINER SERVICES FROM CANADA, 1959—Continued

Service	Number and Nationality of Lines		Average Sailings per Month
Great Lakes Ports to North and North West Europe.....	1 British 1 Canadian*/ Unknown 1 Finnish 3 German	1 Norwegian 1 Norwegian/Dutch 2 Swedish 1 Swedish/French	34
Pacific Coast Ports to the United Kingdom and North and North West Europe.....	1 American 2 British 1 Canadian* 1 Danish 1 Dutch/British 1 French	1 German 1 German/Finnish 2 Japanese 2 Norwegian 1 Panamanian 1 Swedish	22
St. Lawrence and Atlantic Ports to the Mediterranean.....	1 American 1 British/ German/ Egyptian 1 Canadian*/ Italian	1 French 1 Israeli 1 Italian	4
Great Lakes Ports to the Mediterranean..	1 American 1 British 1 British/ French 1 Canadian*/ Italian	1 Israeli 1 Norwegian 1 Swedish/Dutch 1 Swedish/Dutch/ Norwegian	13
Pacific Coast Ports to the Mediterranean..	2 Italian		2
St. Lawrence and Atlantic Ports to the Caribbean.....	1 British 1 Canadian* 1 Canadian*/ Jamaican	1 Colombian/ Ecuadorean 1 Dutch 1 Swedish	19
Great Lakes Ports to the Caribbean.....	1 American 1 Canadian* 1 Colombian/ Ecuadorean	1 French 1 German/Unknown	9
Pacific Coast Ports to the Caribbean.....	1 American 1 Canadian* 1 Colombian/ Ecuadorean	3 Japanese 1 Panamanian	7
St. Lawrence and Atlantic Ports to West, South and East Africa.....	1 British	1 Norwegian	3
Great Lakes Ports to South and East Africa.....	1 Norwegian		Approx. 1 every two months.
Pacific Coast Ports to South and East Africa.....	1 Dutch/ Norwegian 1 Japanese 1 Japanese/ South African		2

*Most Canadian lines chartered non-Canadian ships to furnish or to augment the cargo liner service.

LINER SERVICES FROM CANADA, 1959—Concluded

Service	Number and Nationality of Lines		Average Sailings per Month
St. Lawrence and Atlantic Ports to India and Persian Gulf.....	1 British		1
Pacific Coast Ports to India and Persian Gulf.....	1 American 1 Dutch/ Norwegian		3
St. Lawrence and Atlantic Ports to the East Coast of South America.....	1 American 1 German 1 Swedish		5
Pacific Coast Ports to the East Coast of South America.....	1 American 3 Japanese		3
St. Lawrence and Atlantic Ports to the East Coast of Central America.....	1 Guatemalan		1
St. Lawrence and Atlantic Ports to the West Coast of South America.....	1 American		1
Pacific Coast Ports to the West Coast of South America.....	1 American 1 Chilean	1 Colombian/ Ecuadorean 1 Norwegian**	5
St. Lawrence and Atlantic Ports to Australia and New Zealand.....	1 British		2
Pacific Coast Ports to Australia and New Zealand.....	1 American 2 British 1 German	1 New Zealand 1 Swedish	5
St. Lawrence and Atlantic Ports to the Far East.....	1 American 2 British 1 Danish	1 Dutch/British 1 Japanese	5
Pacific Coast Ports to the Far East.....	3 American 2 Norwegian	6 Japanese 1 Norwegian/ Swedish	16
Pacific Coast Ports to the South Sea Islands	1 Norwegian		Approx. 1 every two months.
Pacific Coast Ports to the U.S. Pacific....	4 Japanese...		4
Pacific Coast Ports to the U.S. Pacific, Gulf and U.S. Atlantic.....	1 Japanese		1
Round the World from Atlantic Ports....	1 American		2

** (and via Straits of Magellan to the East Coast of South America)

Direct Trade Between The Great Lakes and Overseas Ports

Including the liner services from the Great Lakes mentioned in the foregoing section and including vessels of United States registry, the Commission's records show that 506 vessels of Non-Canadian registry, in tramp and liner services made 1146 trips to the Great Lakes from overseas ports during 1959.

The distribution of these vessels, according to country of registry is as follows:

<i>Registry</i>	<i>Number of Ships</i>	<i>Number of Trips</i>
Colombia.....	1	1
Costa Rica.....	1	1
Denmark.....	18	37
Egypt.....	1	1
Eire.....	1	1
Finland.....	7	14
France.....	12	26
Germany.....	91	234
Greece.....	11	16
Israel.....	6	10
Italy.....	13	25
Japan.....	2	2
Lebanon.....	1	1
Liberia.....	49	84
Netherlands.....	20	52
Norway.....	96	217
Panama.....	18	33
Spain.....	2	2
Sweden.....	32	74
Switzerland.....	1	2
United Kingdom.....	86	232
United States.....	36	80
Yugoslavia.....	1	1
	<u>506</u>	<u>1,146</u>

Coasting Trade of Canada

Preliminary estimates indicate an increase of more than one million tons in the volume of cargo carried in the coasting trade during 1959. Ships of Non-Canadian registry participated to a greater extent than ever before, sharing in most of the bulk cargo trades and increasing the volume of tonnage carried by more than 300,000 tons over the previous year. The majority of these ships were old-timers repeating the pattern of other years in the specialized trades and coastal services in the St. Lawrence and Atlantic Coast areas. Most of the newcomers were engaged in the carriage of grain from Great Lakes ports.

During the year 84 vessels of United Kingdom registry and four of other commonwealth registry carried over 5,000,000 tons of cargo in our coasting trade. Of the vessels registered in the United Kingdom, twenty-seven were Canadian owned. United Kingdom flag vessels loaded approximately 400,000 tons of grain at Fort William and Prescott elevators for delivery at St. Lawrence River ports and

Halifax. In previous years Canadian flag ships had carried the bulk of this cargo.

About 70 per cent of the United Kingdom flag vessels in the coasting trade accounted for almost 4,000,000 tons of miscellaneous and bulk cargoes. They carried 90 per cent of the iron ore shipped from Wabana to Sydney and from Seven Islands to Contrecoeur, 86 per cent of the gypsum from Nova Scotia ports to Montreal, 70 per cent of the Cape Breton coal to St. Lawrence River and Newfoundland ports and all the ilmenite ore from Havre St. Pierre to Sorel. They also carried 50 per cent of the tonnage to and from the Canadian Arctic.

The remaining 30 per cent of United Kingdom flag vessels operating in the coasting trade were in liner services and carried more than 350,000 tons of cargo, principally between Great Lakes, Newfoundland, St. Lawrence and Atlantic Coast ports.

Of the fifty-six United Kingdom flag vessels engaged in the movement of miscellaneous and bulk cargo, four were under 1,000 gross tons, four were between 1,000 and 2,000 gross tons, seventeen were between 2,000 and 5,000 gross tons, twenty-four were between 5,000 and 10,000 gross tons and seven were ore-carriers between 10,000 and 22,000 gross tons. The remaining twenty-eight were engaged in liner services and ranged in size as follows:

seven under 1,000 gross tons, twelve between 1,000 and 2,000 gross tons, two of 3,340 gross tons and seven between 5,000 and 7,000 gross tons.

The major commodities carried in the coasting trade, together with their percentage of the total tonnage in 1958, are shown below.

<u>Cargo</u>	<u>Short Tons 000's</u>	<u>%</u>
Grain.....	12,409,065	30.7
Petroleum Oils & Products.....	7,708,265	19.1
Pulpwood & Chips.....	4,884,060	12.1
Iron Ore.....	2,804,588	6.9
Coal & Coke.....	2,376,070	5.9
Sand, Gravel & Crushed Stone.....	1,813,275	4.5
Logs, Posts, Poles, etc.....	1,660,809	4.1
Cement.....	721,706	1.8
Industrial Minerals.....	570,959	1.4
Hogged Fuel.....	364,537	.9
Limestone.....	362,148	.9
Other Agricultural Products.....	341,328	.8
Gypsum.....	309,556	.8
Newsprint & Paper.....	307,162	.7
Manufactured Products.....	220,365	.5
Other Mine Products.....	192,321	.5
Iron & Steel Bars.....	168,562	.4
Lumber & Timber.....	130,580	.3
All other Cargoes.....	3,129,605	7.7
	<u>40,474,961</u>	<u>100.0%</u>

Shipping Records

The Commission maintains records of the description and ownership of all self-propelled vessels of 100 gross tons and over on Canadian registry and of Canadian-owned vessels registered in the United Kingdom under the Transfer Plan. Similar records have been instituted covering vessels owned by departments of the Federal Government. Records are also maintained on an annual basis of the movements and employment of all the above mentioned commercial vessels.

II. Shipbuilding and Ship-Repairing

Shipbuilding

During 1959 the major shipyards delivered thirty-eight vessels, particulars of which are given in Table VI. Twenty-two of these ships were built for commercial owners, five for the Royal Canadian Navy and eleven for various departments of the Federal Government. The commercial vessels consisted mainly of barges and scows, but included two large bulk freighters, the *Seaway Queen* and *Menihek Lake*; the latter was up to the time the largest vessel ever built on the Canadian Great Lakes. Two other vessels of exceptional interest were delivered to commercial owners: the *Eskimo* for service in the Arctic supply routes during the summer and in the North Atlantic during the winter, and the 40,000 ton Tanker *Federal Monarch*, the largest vessel ever built in a Canadian shipyard.

Excluding naval vessels the gross tonnage of all vessels built in major shipyards during 1959 totalled 96,713 gross tons. The dollar value of all ships delivered was approximately \$152,744,245. Compared with 1958 there was an increase of $9\frac{1}{2}$ per cent in the gross tonnage and of 74 per cent in the dollar value of ships delivered; the large increase in the latter was mainly attributable to the unusual number of naval ships delivered.

Undoubtedly the most outstanding ships delivered during 1959 were the five destroyer escorts for the Royal Canadian Navy, *Terra Nova*, *Kootenay*, *Columbia*, *Gatineau* and *Chaudiere*; these vessels are considered to be among the foremost warships of their type built anywhere in the world. However, several other ships possessed unusual features and illustrate the versatility of our shipyards. Among these was the Icebreaker *Camsell*, the first of her type ever to be built in Western Canada. This 224-foot vessel was designed for service in the Western Arctic, round Alaska to Shepherds Bay. Launched at Burrard Dry Dock early in the year she was turned over to the affiliated company, Yarrows Limited, for outfitting and completion. She is equipped with a helicopter flight deck and her diesel-electric propulsion machinery has a horsepower of 4,250. With a cruising speed of 11 knots, she has a radius of action of 12,000 miles.

Canadian shipyards built an exceptionally large number of icebreakers during the past year. Among them was the 273-foot icebreaker, supply and buoy vessel *Sir William Alexander* built by Halifax Shipyards Limited. This vessel has a diesel-electric engine developing 4,250 s.h.p. and is to operate out of Halifax. The 220-foot *Wolfe* and *Sir Humphrey Gilbert* are to be based at St. John's, Newfoundland, and two somewhat smaller icebreakers, equipped for search and rescue operations, are the 204-foot *Simon Fraser* to be based at Victoria, and the *Tupper* which will operate

TABLE VI
PARTICULARS OF GOVERNMENT AND MERCHANT VESSELS DELIVERED BY
CANADIAN SHIPYARDS DURING 1959

Shipyards and Name of Vessel	Type of Vessel	Power Plant	Gross Tons	Name of Owner
YARROWS LIMITED <i>Camsell</i> <i>V.T. No. 65</i> <i>Barge No. 402</i> <i>G. of G. Nos. 206, 207, 208 and 209.</i> <i>S. & R. Nos. 9 and 10.</i>	Icebreaker & Buoy Vessel. Steel Barge..... Tank Barge..... Steel Barges..... Steel Barges.....	4,250 s.h.p. T/S Diesel Elec. Non-prop..... Non-prop..... Non-prop..... Non-prop.....	2,022 1,298 292 782 ea. 366 ea.	Department of Transport Vancouver Tug Boat Co. Ltd Texaco Canada Ltd. Gulf of Georgia Towing Co. Ltd. R. J. Bicknell & T. S. Byrn
VICTORIA MACHINERY DEPOT CO. LTD. <i>H.M.C.S. Terra Nova</i> <i>A. S. No. 2</i>	Escort Vessel..... Steel Barge.....	T/S Turbine..... Non-prop.....	— 798	Royal Canadian Navy Arctic Shipping Ltd.
BURRARD DRY DOCK CO. LTD. <i>H.M.C.S. Kootenay</i> <i>H.M.C.S. Columbia</i> <i>Simon Fraser</i>	Escort Vessel..... Escort Vessel..... Supply & Buoy Vessel....	T/S Turbine..... T/S Turbine..... 2,900 s.h.p. T/S Diesel Elec	— — 1,353	Royal Canadian Navy Royal Canadian Navy Department of Transport
PORT ARTHUR SHIPBUILDING LTD. <i>Alexander Henry</i> <i>B.A. Peerless (Conversion)</i>	Icebreaker & Buoy Vessel. Oil Tanker.....	3,550 b.h.p. T/S Diesel..... 4,500 s.h.p. S/S Turbine....	1,674 10,900	Department of Transport British American Oil Co. Ltd.
THE COLLINGWOOD SHIPYARDS LTD. <i>Menihok Lake</i>	Bulk Freighter.....	8,500 s.h.p. S/S Turbine...	17,023	Carryore Ltd.
RUSSEL-HIPWELL ENGINES LTD. <i>Martin E. Johnson</i> <i>Velma Linda</i> <i>Hull No. 1177</i>	Tug..... Launch..... Scow.....	400 s.h.p. Diesel..... 130 b.h.p. Diesel..... Non-prop.....	27 30 26	Marathon Corporation S. Coveyduck Paradis & Sons
PORT WELLER DRY DOCKS LTD. <i>Seaway Queen</i>	Bulk Freighter.....	7,500 s.h.p. S/S Turbine....	16,053	Upper Lakes Shipping Ltd.

KINGSTON SHIPYARDS LTD. <i>Lightship No. 4.</i> <i>Sirocco</i> <i>Hull Nos. 83, 84, 85, & 86.</i>	Lightship.....	500 b.h.p. T/S Diesel.....	521	Department of Transport Gulf & Lake Navigation Co. Ltd. McNamara Construction Co. Ltd.
	Yacht.....	750 b.h.p. T/S Diesel.....	57	
	4 Scows.....	Non-prop.....	224 ea.	
CANADIAN VICKERS LTD. <i>Wolfe.</i> <i>Cygnus.</i>	Icebreaker & Supply Vessel.....	4,000 i.h.p. S/S Steam.....	2,022	Department of Transport Department of Fisheries
	Patrol Vessel.....	2,150 n.h.p. Diesel.....	524	
MARINE INDUSTRIES LTD. <i>Tupper.</i>	Search & Rescue Vessel..	2,900 b.h.p. Diesel Elec.....	1,358	Department of Transport
DAVIE SHIPBUILDING LTD. <i>Sir Humphrey Gilbert.</i> <i>H.M.C.S. Galtneau.</i> <i>Eskimo.</i> <i>Federal Monarch.</i>	Icebreaker.....	4,250 s.h.p. T/S Diesel Elec.	1,931	Department of Transport Royal Canadian Navy Canada Steamship Lines Ltd. Federal Tankers Ltd.
	Escort Vessel.....	T/S Turbine.....	—	
	Cargo Vessel.....	3,200 s.h.p. Diesel.....	4,462	
	Oil Tanker.....	16,000 s.h.p. S/S Steam.....	26,912	
GEO. T. DAVIE & SONS LTD. <i>La Verendrye.</i>	Buoy Vessel.....	760 b.h.p. T/S Diesel.....	297	Department of Transport
HALIFAX SHIPYARDS LTD. <i>Sir William Alexander.</i> <i>H.M.C.S. Chaudiere.</i> <i>N.R.E. Calibration Barge.</i>	Supply & Buoy Vessel....	4,250 s.h.p. Diesel Electric..	2,164	Department of Transport Royal Canadian Navy Defence Research Board
	Escort Vessel.....	T/S Turbine.....	—	
	Steel Barge.....	Non-prop.....	—	
FERGUSON INDUSTRIES LTD. <i>Gulf Spray.</i> <i>G.S. 134.</i> <i>G.S. 130 & 131.</i>	Tug.....	150 b.h.p. Diesel.....	15	Gulf Services Ltd. Gulf Services Ltd. Gulf Services Ltd.
	Steel Scow.....	Non-prop.....	100	
	2 Steel Scows.....	Non-prop.....	30 ea.	

from Charlottetown. The 210-foot *Alexander Henry* is for operation on the Great Lakes and will be based at Parry Sound.

Two other notable vessels were built for departments of the Federal Government. The first of these is the 154-foot fisheries patrol vessel *Cygnus* delivered to the Department of Fisheries by Canadian Vickers Limited. This vessel is strengthened for navigation in ice and will patrol the coastal waters of Newfoundland and the Maritimes in order to protect and regulate the fishing industry in this area. The second is the 128-foot *Lightship No. 4* delivered to the Department of Transport by Kingston Shipyards Limited. This vessel carries a flashing 130,000 candle-power lantern mounted in her tripod mast.

The largest vessel ever to be built in a Canadian shipyard was the 710-foot tanker *Federal Monarch* of 41,245 d.w.t., built by Davie Shipbuilding Limited, for Federal Petroleum Carriers Limited. This vessel has machinery aft, consisting of cross-compound steam geared-turbines which develop 17,600 s.h.p. and give a service speed of $17\frac{1}{2}$ knots. Her five-bladed propeller, weighing thirty tons, is the largest ever handled by a Canadian shipyard. She was designed for world-wide tanker service and is at present under charter to Imperial Oil Limited for the transportation of crude oil from Venezuela to the United States.

Ship-Repairing

In the ship-repairing branch of the industry the shipyards repaired, refitted or drydocked 2,221 merchant ships and 78 naval vessels. The total value of such work completed during 1959 amounted to \$30,231,383 divided among the four ship-building areas as shown below. Compared with 1958 this constitutes a decrease of \$1,775,202 or $5\frac{1}{2}$ percent. Although there was a great increase in the value of such work carried out in the St. Lawrence area, it was, unfortunately, more than offset by decreases in the Pacific Coast, Great Lakes and Atlantic Coast areas.

	<i>Naval</i>	<i>Mer- chant</i>	<i>Dollar value</i>
Pacific Coast.....	10	590	\$ 5,956,737
Great Lakes.....	4	252	3,897,168
St. Lawrence.....	4	676	12,702,543
Atlantic.....	76	703	7,674,935
	94	2,221	\$ 30,231,383

For the purpose of comparison the value of ships delivered and of repairs and conversions carried out in Canadian shipyards from 1952 to 1959 is given in Table VII.

TABLE VII
VALUE OF SHIPS DELIVERED AND OF REPAIRS AND CONVERSIONS CARRIED OUT IN CANADIAN SHIPYARDS 1952-1959

Shipbuilding	1952	1953	1954	1955	1956	1957	1958	1959
PACIFIC COAST								
Shipbuilding.....	3,021,670	287,835	14,020,684	2,470,000	3,765,960	53,837,870	2,030,940	69,957,000
Repairs and Conversions.....	7,217,901	7,335,846	5,037,300	8,138,654	9,465,965	11,098,523	5,310,980	5,956,737
	10,239,571	7,623,681	19,057,984	10,608,654	13,231,925	64,936,393	7,341,920	75,913,737
GREAT LAKES								
Shipbuilding.....	31,075,024	3,502,850	32,514,789	6,643,600	3,951,600	12,461,820	17,031,200	17,854,695
Repairs and Conversions.....	4,679,525	5,926,099	5,276,251	2,895,745	3,975,387	3,917,132	8,976,266	3,897,168
	35,754,549	9,428,949	37,791,040	9,539,345	7,926,987	16,378,952	26,007,466	21,751,863
St. LAWRENCE								
Shipbuilding.....	6,282,390	40,325,000	38,689,200	37,783,150	48,100,400	14,545,600	64,919,000	41,908,980
Repairs and Conversions.....	14,717,394	21,254,741	14,108,262	7,898,312	10,377,731	9,373,341	8,688,980	12,702,543
	20,999,784	61,579,741	52,797,462	45,681,462	58,478,131	23,918,941	73,607,980	54,611,523
ATLANTIC COAST								
Shipbuilding.....	1,604,250,	300,000	7,950,000	370,000	17,916,000	28,713,900	3,668,000	23,053,570
Repairs and Conversions.....	11,147,247	16,570,462	13,722,715	8,107,094	6,021,147	8,741,738	9,030,359	7,674,935
	12,751,497	16,870,462	21,672,715	8,477,094	23,937,147	37,455,638	12,698,359	30,728,505
SUMMARY								
Shipbuilding.....	41,982,334	44,415,685	93,174,673	47,266,750	73,733,960	109,559,190	87,649,140	152,774,245
Repairs and Conversions.....	37,762,067	51,097,148	38,144,528	27,039,805	29,840,230	33,130,734	32,006,585	30,231,383
	79,744,401	95,512,835	131,319,201	74,305,555	103,574,190	142,689,924	119,655,725	183,005,628

Employment

The average monthly employment in the industry (16 yards reporting) was 10,372, a decrease of approximately 21 percent compared with 1958. As may be seen from the table given below there was a falling-off in the level of employment in all shipbuilding areas, but the decline was most marked in the St. Lawrence area. The figures for the first three months of 1960 suggest that the level of employment is again likely to fall below that of the previous year.

The following table gives the average monthly employment figures in the principal shipbuilding areas during the period 1946 to 1959.

<i>Year</i>	<i>Number of Yards Reporting</i>	<i>Pacific Coast</i>	<i>Great Lakes</i>	<i>St. Lawrence</i>	<i>Atlantic Coast</i>	<i>Total</i>
1946	16	4,988	2,148	6,272	2,991	16,399
1947	16	4,119	1,485	8,874	2,657	17,135
1948	16	2,949	2,308	8,045	1,976	15,278
1949	16	1,496	2,168	4,230	1,937	9,831
1950	17	1,100	2,202	3,892	1,336	8,530
1951	19	2,080	2,803	5,237	1,913	12,033
1952	19	2,595	3,591	8,092	2,909	17,187
1953	20	2,547	3,082	10,490	3,511	19,630
1954	19	2,555	1,994	7,407	3,544	15,500
1955	17	2,566	1,267	5,448	3,151	12,432
1956	17	3,544	1,494	6,096	2,757	13,891
1957	16	4,000	1,929	6,520	2,536	14,985
1958	16	2,831	2,362	5,537	2,346	13,076
1959	16	2,176	1,838	4,332	2,026	10 372

Outlook

In last year's annual report the Commission expressed its view that it was most undesirable that any shipyard should come to depend solely upon government shipbuilding or upon naval repairs and refits. It is therefore doing everything it can to stimulate the flow of commercial orders for unless the volume of such orders is increased the present level of employment in the industry cannot possibly be maintained. It should be remembered that only half the money set aside for building the new naval vessels will be expended in Canadian shipyards; the other half will be distributed among ancillary industries, strengthening the Canadian economy, but not directly benefiting the shipbuilding industry.

The completion of the St. Lawrence Seaway is altering the pattern of shipbuilding in this country as well as that of shipping. It has reversed the traditional role of the shipyards in the Great Lakes and on the St. Lawrence, enabling the former to compete in the construction of ocean-going vessels and the latter to build large bulk freighters for operation on the Upper Lakes. As an indication of this trend, an ocean-going cargo vessel is to be built at Collingwood and several large bulk freighters are contracted for in the St. Lawrence yards.

TABLE VIII
PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1960

Shipyard and Hull No.	Type	Power Plant	Estimated D.W.T.	Name of Owner
YARROWS LIMITED Hull No. 106..... Hull Nos. 197-201.....	Self-Unloading Steel Barge..... 5 Steel Barges.....	Non-prop..... Non-prop.....	3,000 600 gt.	B.C. Forest Products Ltd. Vancouver Tug Boat Co. Ltd.
BURRARD DRY DOCK CO. LTD. 310.....	Suction Hopper Dredge.....	3,600 h.p. Diesel Electric.....	—	Department of Public Works
PORT ARTHUR SHIPBUILDING LTD. Midland Prince (Conversion).....	Bulk Freighter.....	1,440 s.h.p. S/S Steam.....	6,900	Canada Steamship Lines Ltd.
THE COLLINGWOOD SHIPYARDS LTD. Murray Bay..... 103..... 106..... 109.....	Bulk Freighter..... Bulk Freighter..... Cargo & Pass. Vessel..... Ocean-going Package Freighter.....	8,500 s.h.p. S/S Turbine..... 8,500 s.h.p. S/S Turbine..... 1,200 s.h.p. T/S Diesel..... 6,000 h.p. T/S Diesel.....	24,500 24,500 750 10,500	Canada Steamship Lines Ltd. Carvoro Limited Department of Transport Canada Steamship Lines Ltd.
RUSSEL-HIPWELL ENGINES LTD. Villz Marie..... Migell..... 1189 & 1195..... 1191 & 1192..... 1190.....	Survey Vessel..... Tug..... 2 Tugs..... 2 Snows..... Tug.....	1,000 s.h.p. T/S Diesel Electric..... T/S Diesel..... 600 s.h.p. T/S Diesel..... Non-prop..... 400 s.h.p. T/S Diesel.....	500 14 gt. 42 ea. 324 ea. 20	Department of Transport Department of Public Works Drake Construction Limited Drake Construction Limited Drake Construction Limited
PORT WELLER DRY DOCKS CO. LTD. 28..... Wheat King (Conversion)..... 29.....	Bulk Freighter..... Bulk Freighter..... Pass. & Cargo Vessel.....	6,000 s.h.p. S/S Turbo-Elec..... S/S Diesel..... 3,400 s.h.p. T/S Diesel.....	16,500 gt. 15,500 3,600	Upper Lakes Shipping Co. Ltd. Island Shipping Co. Ltd. Department of Transport
CANADIAN VICKERS LIMITED John A. France..... 276..... 277.....	Bulk Freighter..... Bulk Freighter..... Pass. & Cargo Vessel.....	9,000 s.h.p. Steam Turbine..... 9,000 s.h.p. Steam Turbine..... 3,400 s.h.p. T/S Diesel.....	17,000 17,000 3,600	Scott Misener Steamships Ltd. Scott Misener Steamships Ltd. Department of Transport
MARINE INDUSTRIES LIMITED 269.....	Oil Tanker.....	4,000 s.h.p. Diesel.....	7,100	Marine Industries Limited
DAVE SHIPBUILDING LIMITED Emerillon..... John A. Macdonald..... 624..... 625.....	Oil Tanker..... Icebreaker..... Tug..... Bulk Freighter..... Bulk Freighter.....	16,000 s.h.p. S/S Steam..... 15,000 s.h.p. T/S Diesel Electric..... 960 h.p. T/S Diesel..... 4,400 s.h.p. S/S Turbine..... 9,000 s.h.p. S/S Turbine.....	41,245 3,380 — 15,250 26,560	Papachristidis Tankers Ltd. Department of Transport Dave Shipbuilding Limited N. M. Paterson & Sons Canada Steamship Lines Ltd.

TABLE VIII
PARTICULARS OF VESSELS (EXCLUDING NAVAL VESSELS) IN PREPARATION OR UNDER CONSTRUCTION
IN CANADIAN SHIPYARDS, MARCH 31, 1960—*Concluded*

Shipyard and Hull No.	Type	Power Plant	Estimated D.W.T.	Name of Owner
GEO. T. DAVIE & SONS LIMITED <i>Beaufort</i>	Sounding Vessel.....	1,280 b.h.p. T/S Diesel.....	400	Department of Transport
—	Dredge.....	Non-prop.....	—	Department of Public Works
SAINT JOHN DRY DOCK CO. LTD. 39.....	Supply & Buoy Vessel.....	2,000 b.h.p. T/S Diesel.....	850	Department of Transport
40.....	Dredge.....	—	700	Beaver Dredging Co. Ltd.
41.....	Cargo & Pass. Vessel.....	1,200 b.h.p. T/S Diesel.....	—	Department of Transport
HALIFAX SHIPYARDS LTD. —	Dredge.....	Non-prop.....	—	Department of Public Works
—	Auto-Pass. Ferry.....	5,200 s.h.p. Diesel Elec.....	—	Department of Transport
FERGUSON INDUSTRIES LTD. <i>John Gwy</i>	Auto-Pass. Ferry.....	1,000 h.p. T/S Diesel.....	700	Department of Transport

The volume of shipbuilding now on order in the shipyards is less than it has been for several years past, and by far the greater proportion of orders now in hand are for naval or other government vessels; orders for commercial shipbuilding represent less than a quarter of the total. Moreover, almost the entire \$57 million worth of commercial work is concentrated in the Great Lakes and St. Lawrence areas. In the Pacific Coast area little more than 2 percent of the shipbuilding in progress is for private commercial account, and in the Atlantic Coast area the percentage of such work is negligible.

The following table gives the estimated value of the vessels in each category in preparation or under construction in the four shipbuilding areas as of March 31, 1960.

	<i>Naval</i>	<i>Other Government</i>	<i>Merchant</i>	<i>Total</i>
Pacific Coast.....	\$ 50,000,000	\$ 3,190,000	\$ 1,246,000	\$ 54,436,000
Great Lakes.....	—	5,115,100	16,975,000	22,090,100
St. Lawrence.....	87,500,000	15,315,000	37,575,000	140,390,000
Atlantic Coast.....	25,000,000	7,978,000	1,500,000	34,478,000
	<u>\$162,500,000</u>	<u>\$ 31,598,100</u>	<u>\$ 57,296,000</u>	<u>\$251,394,100</u>

The estimated capital cost of all vessels in preparation or under construction as of March 31, 1960, amount to \$251,394,100. This sum represents orders for six naval escort vessels and one naval tanker, thirteen vessels for other government departments and twenty-three merchant ships are given in Table VIII.

Canadian Vessel Construction Assistance Act

It will be seen from Table IX that for the fiscal year ending March 31, 1960, the value of capital cost determinations for new construction and major alterations issued by the Commission was greater than in any year since the Act came into force in 1950.

The increase in the value of "Cargo Vessel" determinations was mainly due to the number of large bulk freighters being built and to the completion of two ocean-going vessels. Although the value of determinations for "Dredges, Scows and Barges" was lower than in any year since 1954, there seems to be a steady flow of construction of this type. The value of determinations for "Tugs, Fishing Vessels, Ferries, Etc." was only exceeded in 1958. This indicates that, through correspondence and personal contacts on the part of the Commission, the builders of fishing vessels are becoming more aware of the benefits available under the Act; no less than twenty-eight such cost determinations were issued during 1959. The increase in the value of determinations for "Conversions and Major Alterations" is largely due to additions and alterations to existing vessels so as to take advantage of the Seaway.

Section 4 of the Act provides that in certain cases where monies resulting from the sale of vessels are used for satisfactory replacement in Canadian yards, the Canadian Maritime Commission may issue certificates which involve freedom from recapture of depreciation. This feature of the Act has materially stimulated the flow of money into new shipbuilding. Since the inception of the Act, to March 31, 1960, 98 certificates have been issued under this Section to 75 applicants. During the past year 72 certificates were issued to 27 applicants.

That part of Section 4 which permits the taxpayer to deposit with the Commission an amount equal to the tax which, but for the Act, he would require to pay, has become more widely known and has resulted in an increase in the number of such deposits. Owners and prospective builders are becoming more aware of this Act and its potential, with the result that more money from this source is likely to be channelled into shipbuilding.

III. General

Subsidized Steamship Services

In accordance with the terms of the Canadian Maritime Commission Act, the Commission continued to administer subventions voted by Parliament.

During the fiscal year 1959-60 subventions were paid for coastal and inland services only. Thirty services received assistance, two on the west coast, two on the Great Lakes, and twenty-six on the east coast; these included the river and gulf of St. Lawrence and the Canadian National Railways, Newfoundland coastal services, comprising nine different routes and eleven vessels. A strike of seamen on the west coast resulted in a two week stoppage on subsidized steamship services. One new service is included—The Trois-Pistoles and Les Escoumains service—in which the Federal and Provincial Governments share equally.

A new vessel has been built for the Department of Transport to be operated on the Pelee Island and the mainland services. Tenders were called for the operation of this vessel, to be submitted by February 15, 1960. The previous contractor, the Pelee Shipping Company Limited, submitted the lowest tender and was consequently awarded the contract to operate the service.

The Commission's inspectors examined all services and carried out surveys to ascertain the need for the continuance of existing services. The Commission is represented on the standing committee of Explosives in connection with the Dangerous Goods Shipping Regulations in the Canada Shipping Act. It has also been represented on several interdepartmental committees investigating transportation problems, in various parts of the country.

STATISTICS OF STEAMSHIP SUBVENTIONS

<i>Interprovincial Services between:</i>	<i>Paid 1959-60</i>	<i>Main Estimates</i>
	\$	\$
Quebec, Prince Edward Island and Nova Scotia.....	174,000	174,000
Nova Scotia and Prince Edward Island.....	558,784	617,000
Nova Scotia and New Brunswick.....	33,000	33,000
New Brunswick and Quebec.....	67,500	62,500
Prince Edward Island and Newfoundland.....	72,000	72,000
<i>Provincial Services</i>		
British Columbia.....	277,736	294,500
New Brunswick.....	104,600	104,600
Newfoundland.....	3,707,654	3,317,000
Nova Scotia.....	196,900	196,900
Ontario.....	164,000	157,500
Quebec.....	1,225,200	1,059,200
Total Steamship Subventions.....	6,581,374	6,088,200

Passenger, Freight and Mail Traffic on Subsidized Coastal Services

	1958	1959
Passengers.....	1,834,447	1,827,282
Cargo (tons).....	201,239	224,579
Mail (bags).....	252,731	285,217
Vehicles.....	555,752	578,645
The sum of \$6,581,374 shown as paid in 1959-60 is the net sum after recovering the under-mentioned amounts by way of recapture of subsidy:		
Prince Edward Island and Nova Scotia Service.....		\$58,216
*Prescott, Ont., and Ogdensburg, N.Y., Service.....		15,000
Vancouver and West Coast of Vancouver Island Service.....		7,334
Total Recaptured.....		<u>\$80,550</u>

* Since the contract was negotiated in 1951, the total subsidies paid for the Prescott and Ogdensburg Service have been fully refunded.

Park Steamship Company Limited

This company is no longer active although the Charter is still in force; there continue to be occasional insurance claims which are handled by the staff of the Commission. Although the Company has no salaried employees its basic structure is being maintained and could be readily expanded should the need arise.

Inter-Governmental Maritime Consultative Organization (I.M.C.O.)

The Canadian Maritime Commission played an active part in the formation and development of the Inter-Governmental Maritime Consultative Organization (I.M.C.O.). The Commission was represented at the Conference which met in Geneva in February, 1948, to draft the terms of a Convention to establish the organization as a specialized Agency of the United Nations dealing with Maritime matters.

Canada was elected to the Chairmanship of the Preparatory Committee, and the Canadian Government nominated the Chairman of the Canadian Maritime Commission as Chairman of this Committee. Under the terms of the Convention, I.M.C.O. was to come into being as soon as 21 countries had ratified, including 7 countries with fleets of over one million gross tons.

Ratification of the Convention proceeded slowly and in the meantime there were a number of important international questions, such as the safety of life at sea, standard tonnage measurement, oil pollution, etc., requiring attention. A Conference was therefore held in London, in October 1953, at which the fourteen nations which had already ratified the Convention were represented. One of our Commissioners headed the Canadian delegation.

On March 17, 1958, the Convention was declared to be in force and the Preparatory Committee, of which the Commission's Chairman had continued to be Chairman, was charged with the duty of arranging for the first General Assembly of the Organization. In January, 1959, the thirty member nations attended the first meeting of the Assembly in London. Upon the nomination of the French delegation, our Chairman was elected President of the Assembly.

The Assembly then elected 16 members of the Council, which in consequence now consists of the following eight ship-owning nations Greece, Italy, Japan, The Netherlands, Norway, Sweden, United Kingdom and the United States, and of the following trading nations: Argentina, Australia, Belgium, Canada, France, India, USSR and Western Germany.

The Assembly is to meet again in April, 1961, when broader questions of policy will be discussed. In the meantime, under the terms of the Conference, the work of the Organization will be carried out by the Council. The purposes of the Organization are:

- (a) to provide machinery for co-operation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade, and to encourage the general adoption of the highest practicable standards in matters concerning maritime safety and efficiency of navigation;
- (b) to encourage the removal of discriminatory action and unnecessary restrictions by Governments affecting shipping engaged in international trade so as to promote the availability of shipping services to the commerce of the world without discrimination; assistance and encouragement given by a Government for the development of its national shipping and for the purposes of security does not in itself constitute discrimination, provided that such assistance and encouragement is not based on measures designed to restrict the freedom of shipping of all flags to take part in international trade;
- (c) to provide for the consideration by the Organization of matters concerning unfair restrictive practices by shipping concerns;
- (d) to provide for the consideration by the Organization of matters concerning shipping that may be referred to it by any organ or Specialized Agency of the United Nations;
- (e) to provide for exchange of information among Governments on matters under consideration by the Organization.

Comité Maritime International

The Comité Maritime International (C.M.I.) is an international body composed of the Maritime Law Associations of the leading maritime nations of the world. The aim of the organization is to achieve international uniformity in the field of maritime law. Traditionally the C.M.I. formulates conventions on various subjects and thereupon the Belgian Government convenes Diplomatic Conferences for consideration of the proposals on an inter-governmental, as distinguished from a mercantile, level. A number of international conventions has originated in this forum.

The Commission's legal adviser attended the fifth post-war Conference of the C.M.I. at Rijeka, Yugoslavia, in September, 1959 in the capacity of an observer on behalf of the Canadian Government.

The principal project of the Conference was to draft an international convention dealing with the liability of operators of nuclear propelled ships.

The Conference was successful in producing a draft which was acceptable to twenty of the twenty-three nations represented. Three nations abstained from voting; no vote against the draft convention was recorded. The provisions of the draft are set out in the section of this report next succeeding under the title International Atomic Energy Agency.

International Atomic Energy Agency

Following the Rijeka Conference of the C.M.I. a decision was reached to co-ordinate the work of that body with the effort of the International Atomic Energy Agency (I.A.E.A.) to achieve international uniformity in the broad field of liability for nuclear damage generally.

Accordingly the Secretary General of I.A.E.A. convened a conference of legal experts in Vienna in February, 1960. The conference was in the nature of a symposium for examining the liability problems arising from the use of nuclear energy for ship propulsion. Delegates were not asked to commit their respective governments to any course of action or to any policy. L. J. Leavey, the Commission's legal adviser, was appointed to represent Canada.

Frequent reference was made at the Vienna Conference to the draft convention produced at Rijeka the previous September although this document did not officially form the basis of these discussions.

The discussions at Vienna proceeded upon the assumption that the operation of nuclear ships by private interests would be conditional on State licencing and that the grant of a licence would, in turn, be conditional upon compulsory insurance or other financial guarantee.

Given these assumptions the task of the Conference was to try to reconcile the fundamental principle of adequate protection to the public with the equally fundamental principle of the ability of the operator to pay compensation.

Some tentative conclusions were reached:

- (a) there will be imposed on the licenced operator of a nuclear ship an absolute liability for nuclear damage resulting from the nuclear reactor of the ship operated by him;
- (b) the liability mentioned in (a) is an exclusive one and no other person is liable for nuclear damage in respect of which there is absolute liability; this principle applies irrespective of blame in collision cases;
- (c) the operator has no right of recourse except perhaps where covered by contract;
- (d) the operator's absolute and exclusive liability will be subject to a maximum limit in respect of any one nuclear incident.

The channelling of liability to the operator and the exoneration of other parties irrespective of fault, which is the main feature of these conclusions, runs counter to the normal rules of law; under

conventional rules of law, liability is usually consequential upon fault or blame.

The provision of a maximum limit of liability is an historic feature of most systems of maritime law. Indeed, one of the reasons for urgency in the matter of the liability of the operators of nuclear ships is to ensure that the normal rules of limitation do not apply. The potential damages arising from a nuclear accident involving a nuclear ship are of much greater magnitude than those which could arise out of an ordinary marine risk and hence special rules must be formulated.

It is premature in this report to discuss the attitudes taken by the various delegations at the Vienna Conference.

The Conference decided to appoint a committee of scientific and technical experts to examine various phases of the problem and to report later in the year. It was felt also that the conclusion or the drafting of a convention should be postponed until after it was known what safety precautions would be decided upon at the Safety of Life at Sea Conference to be held in London in May and June, 1960.

Degaussing of Merchant Ships

The Commission continues to co-ordinate the installation and maintenance of degaussing equipment in Canadian ships. During the year under review three Government icebreakers, two search and rescue vessels, one Northern supply vessel and one large oil tanker were fitted with degaussing equipment at a total cost of \$192,000. A certain amount of maintenance work on ships previously fitted was carried out at a cost of \$12,000.

Military Movements

The Commission has continued to act as the co-ordinating agency for the movement overseas of armed services personnel and military cargo. Shipments of military cargo to Canadian units abroad and to NATO countries were made from Great Lakes, St. Lawrence, and Atlantic Coast ports and also from ports on the Pacific Coast. The value of ocean freights involved was a little under \$2 million. Flat rates were negotiated with the freight conferences for military and mutual aid shipments.

The Commission also maintains Liaison between the Tri-Service Movements Committee and the various steamship lines maintaining regular services to and from Canadian ports. Effective January 1, 1960, passenger tariffs were increased and the Commission approached steamship lines to negotiate an equitable rate; arrangements were agreed upon which proved satisfactory to all parties.

Coasting Laws of Canada

The Commission continues to advise the Department of National Revenue upon applications for the waiving of the coasting laws to permit temporary operation of foreign-flag or foreign-built ships in the Canadian coasting trade. During 1959 such vessels were permitted to carry approximately one-half of one percent of the total cargo in our coasting trade. Before recommending that an applicant be given a waiver, the Commission makes every effort to ensure that no qualified ship suitable for the required service is available.

The Commission

Effective August 1, 1959, the Government appointed Mr. Alex Watson as Chairman of the Canadian Maritime Commission, succeeding Mr. L. C. Audette, Q.C.

On February 25, 1960, Mr. George A Scott and Mr. J. C. Rutledge were appointed Members of the Commission. The Staff of the Commission on March 31, 1960, numbered twenty-one whose annual salaries together with salaries paid to Members of the Commission, amounted to \$126,555.40.

Dated at Ottawa the 28th day of June, 1960.

A. WATSON,
Chairman.

G. A. SCOTT,
Member.

J. C. RUTLEDGE,
Member.

des cargaisons militaires aux unités canadiennes outre-mer et aux pays de l'OTAN s'est faite à partir des ports des Grands lacs, du Saint-Laurent et du littoral de l'Atlantique ainsi que des ports du littoral du Pacifique. La valeur des marchandises en question a atteint un peu moins de 2 millions. Des tarifs uniformes ont été négociés dans le cadre des conférences sur le fret pour les expéditions militaires et d'aide mutuelle.

La Commission s'est aussi tenue en liaison avec le Comité interarmes des mouvements et avec les diverses sociétés de navigation assurant des services réguliers à destination et en provenance des ports canadiens. À compter du 1^{er} janvier 1960, les tarifs-passagers ont été augmentés et la Commission a fait des démarches auprès des sociétés de navigation afin de négocier un tarif équitable; les dispositions qui ont été prises se sont révélées satisfaisantes pour toutes les parties intéressées.

Lois canadiennes sur la navigation côtière

La Commission a continué de conseiller le ministère du Revenu national au sujet des demandes d'exemption de l'application des lois sur la navigation côtière afin de permettre à des navires battant pavillon étranger ou construits à l'étranger de participer temporairement à la navigation côtière au Canada. Au cours de 1959, ces navires ont eu la permission de transporter environ $\frac{2}{3}$ p. 100 de la totalité des cargaisons dans notre commerce côtier. Avant de recommander que la demande d'un requérant soit approuvée, la Commission s'assure qu'il n'existe pas de navires remplissant les conditions posées qui soient en mesure d'assurer le service projeté.

La Commission

Le 1^{er} août 1959, le gouvernement nommait M. Alex Watson au poste de président de la Commission maritime canadienne pour succéder à M. L.-C. Audette, c.r.

Le 25 février 1960, MM. George A. Scott et J. C. Rutledge étaient nommés membres de la Commission. Le personnel de la Commission comptait, au 31 mars 1960, vingt et un employés. La somme de leurs traitements annuels et des traitements versés aux membres de la Commission s'élevait à \$126,555.40.

Ottawa, le 28 juin 1960.

Le Président,

A. WATSON

Le Commissaire,

G. A. SCOTT

Le Commissaire,

J. C. RUTLEDGE

Voici quelques conclusions, sujettes à révision, auxquelles on en est venu :

- a) Il sera attribué à l'exploitant d'un navire nucléaire, titulaire d'un permis, une responsabilité inconditionnelle à l'égard des dommages causés par le réacteur nucléaire du navire qu'il exploite;
- b) La responsabilité mentionnée à l'alinéa a) est exclusive, c'est-à-dire que nul autre ne peut être tenu responsable d'origines nucléaires faisant l'objet d'une responsabilité inconditionnelle; ce principe s'applique quelque soit le responsable dans les cas d'abordage;
- c) L'exploitant ne peut exercer le recours à moins que ce droit ne soit prévu par contrat; d) La responsabilité inconditionnelle et exclusive de l'exploitant est assujétie à une limite maximum en ce qui concerne tout incident nucléaire.

L'attribution de la responsabilité civile à l'exploitant et l'exonération des autres parties, qu'elles soient en faute ou non, qui est la caractéristique principale de ces conclusions, est contraire aux règles ordinaires du droit; suivant les règles classiques, la faute engage habituellement la responsabilité civile de l'auteur.

La prévision d'une limite maximum de responsabilité est une caractéristique traditionnelle de la plupart des régimes de droit maritime. En vérité, l'une des raisons qui rendent urgent l'établissement de la responsabilité des exploitants de navires à propulsion nucléaire est d'empêcher l'application des règles ordinaires concernant la limitation de la responsabilité. Les dommages éventuels résultant d'un accident où est impliqué un navire à propulsion nucléaire sont beaucoup plus considérables que ceux qui pourraient découler d'un risque maritime ordinaire, d'où la nécessité de formuler des règles spéciales.

Il est trop tôt pour étudier dans le présent rapport les attitudes que les diverses délégations ont prises à la conférence de Vienne. La Conférence a décidé d'instituer une commission de spécialistes des domaines scientifiques et techniques, chargés d'étudier les divers aspects du problème et de présenter un rapport plus tard dans l'année. On fut aussi d'avis que la rédaction d'une convention devait être différée jusqu'à ce qu'on sache quelles mesures de précaution seront prises à la Conférence pour la sauvegarde de la vie humaine en mer qui sera tenue à Londres en mai et juin 1960.

Démagnétisation des navires marchands

La Commission a continué de coordonner le travail d'installation et d'entretien du matériel de démagnétisation des navires canadiens. Au cours de l'année à l'étude, trois brise-glace de l'Etat, deux navires de recherches et de sauvetage, un ravitailleur du Nord et un gros pétrolier ont été munis d'équipement de démagnétisation, au coût total de \$192,000. Certains travaux d'entretien sur des navires équipés antérieurement ont été exécutés au coût de \$12,000.

Mouvements militaires

La Commission a poursuivi son rôle de coordonnateur du mouvement des forces armées et des cargaisons militaires. L'expédition

gouvernement belge convoque des conférences diplomatiques chargées d'étudier les propositions à l'échelon intergouvernemental plutôt qu'à l'échelon commercial. Un certain nombre de conventions internationales ont pris naissance de cette manière. Au mois de septembre 1959, le conseiller juridique de la Commission a assisté à la cinquième conférence d'après-guerre du CMI à Rijeka, en Yougoslavie, à titre d'observateur pour le compte du gouvernement canadien.

La Conférence avait pour but principal la rédaction d'une convention internationale traitant de la responsabilité des exploitants de navires à propulsion nucléaire.

Elle a réussi à rédiger un projet jugé acceptable par vingt nations sur les vingt-trois nations présentes. Il y eut trois abstentions, mais aucun vote dissident. Le présent rapport traite des dispositions de ce projet à l'article suivant intitulé Agence internationale de l'énergie atomique.

Agence internationale de l'énergie atomique

Après la conférence du CMI, tenue à Rijeka, il a été décidé de coordonner le travail de cet organisme avec les efforts de l'Agence internationale de l'énergie atomique (AIEA) afin de réaliser l'unité internationale dans le vaste domaine de la responsabilité civile en ce qui concerne les dommages nucléaires en général.

Au mois de février 1960, le secrétaire général de l'AIEA a donc convoqué à Vienne une conférence de spécialistes en matières juridiques. La conférence s'est déroulée sous forme de colloque où furent étudiés les problèmes de responsabilité que pose l'usage de l'énergie atomique pour la propulsion des navires. Les délégués n'engageaient pas leurs gouvernements respectifs à une ligne de conduite quelconque. M. L. J. Leavey, conseiller juridique de la Commission, représentait le Canada.

A la Conférence de Vienne, on s'en est référé fréquemment au projet de convention établi à Rijeka au mois de septembre précédent, bien que ce document n'ait pas constitué officiellement la base de ces discussions.

Les discussions de Vienne se sont fondées sur le postulat que les armateurs privés ne pourraient exploiter des navires à propulsion nucléaire qu'après avoir obtenu un permis de l'Etat et que la délivrance d'un tel permis serait soumise à des conditions relatives à l'assurance obligatoire ou à d'autres cautions financières.

Cette hypothèse admise, la tâche de la conférence était de concilier le principe fondamental d'une protection suffisante assurée au public et le principe également fondamental de la capacité de l'exploitant à verser les indemnités voulues.

l'attention. Une conférence fut donc tenue à Londres en octobre 1953, à laquelle se sont fait représenter les quatorze nations qui avaient déjà ratifié la convention. L'un de nos commissaires a dirigé la délégation canadienne.

Le 17 mars 1958, la convention a été déclarée en vigueur et la Commission préparatoire, dont le président de notre Commission occupait toujours le fauteuil, a été chargée de la préparation de la première Assemblée générale de l'Organisation. Au mois de janvier 1959, les trente nations membres ont assisté à la première réunion de l'Assemblée à Londres. Après avoir été mis en candidature par la délégation de la France, notre président a été élu à la présidence de l'Assemblée.

L'Assemblée a ensuite élu seize membres du conseil, qui se compose maintenant des huit nations maritimes suivantes: la Grèce, l'Italie, le Japon, les Pays-Bas, la Norvège, la Suède, le Royaume-Uni et les Etats-Unis ainsi que des nations commerçantes suivantes: l'Argentine, l'Australie, la Belgique, le Canada, la France, l'Inde, l'URSS et l'Allemagne de l'Ouest.

L'Assemblée se réunira de nouveau au mois d'avril 1961, où de plus vastes questions touchant la ligne de conduite à suivre feront l'objet de discussions. Dans l'interval, suivant les termes de la Conférence, le Conseil s'acquittera des travaux de l'Organisation. Les objectifs de l'Organisation sont:

- a) d'instituer un système de collaboration entre les gouvernements dans le domaine de la réglementation et des usages gouvernementaux ayant trait aux questions techniques de toutes sortes qui intéressent la navigation commerciale internationale, et d'encourager l'adoption générale de normes aussi élevées que possible en ce qui concerne la sécurité maritime et l'efficacité de la navigation;
- b) d'encourager l'abandon des mesures discriminatoires et des restrictions non indésirables appliquées par les Gouvernements à la navigation commerciale internationale, en vue de mettre les ressources des services maritimes à la disposition du commerce mondial sans discrimination; l'aide et l'encouragement donnés par un gouvernement en vue du développement de sa marine marchande nationale et pour des fins de sécurité ne constituent pas en eux-mêmes une discrimination, à condition que cette aide et cet encouragement ne soient pas fondés sur des mesures conçues en vue de restreindre la liberté, pour les navires de tous pavillons, de participer au commerce international;
- c) d'examiner les questions relatives aux pratiques restrictives déloyales d'entreprises de navigation maritime;
- d) d'examiner toutes questions relatives à la navigation maritime dont elle pourra être saisie par tout organe ou toute institution spécialisée de l'organisation des Nations Unies;
- e) de permettre l'échange de renseignements entre gouvernements sur les questions étudiées par l'Organisation.

Comité maritime international

Le Comité maritime international (CMI) est un organisme international composé des associations de droit maritime des principales nations maritimes du monde. Son but est de réaliser l'uniformité dans le domaine international du droit maritime. Par tradition, le CMI formule des conventions sur divers sujets et, à cette occasion, le

Trafic-passagers, trafic-marchandises et trafic postal dans les services côtiers subventionnés

	1958	1959
Passagers.....	1,834,447	1,827,282
Marchandises (tonnes).....	201,239	224,579
Poste (sacs).....	252,731	285,217
Véhicules.....	555,752	578,645

La somme de \$6,581,374 versée en 1959-1960 est la somme nette après recouvrement des montants mentionnés ci-après par voie de récupération de la subvention :

Service Ile du Prince-Edouard—Nouvelle-Ecosse.....	\$58,216
*Service Prescott (Ont.)—Ogdensburg (N.Y.).....	15,000
Service Vancouver—Côte ouest de l'île de Vancouver.....	7,334
Total récupéré.....	\$80,550

Park Steamship Company Limited

Cette compagnie a cessé toute activité mais sa charte est encore en vigueur; le personnel de la Commission s'occupe des réclamations qui se présentent de temps à autre au sujet d'assurances. Bien que la compagnie n'ait plus d'employés salariés, ses rouages essentiels sont maintenus et l'exploitation pourrait être facilement rétablie au besoin.

Organisation maritime consultative intergouvernementale

La Commission maritime canadienne a pris une part active à la formation et à la mise en œuvre de l'Organisation maritime consultative intergouvernementale. La Commission fut représentée à la conférence qui s'est réunie à Genève, au mois de février 1948, pour rédiger une convention en vue de faire de l'organisation, une association spécialisée des Nations Unies qui s'occuperait des affaires maritimes.

Le Canada a été élu à la présidence de la Commission préparatoire et son gouvernement nommait à la présidence de cette commission le président de la Commission maritime canadienne. Aux termes de la Convention, l'Organisation maritime consultative intergouvernementale devait être établie dès que 21 pays, y compris sept pays possédant une flotte de plus d'un million de tonnes de jauge brute l'auraient ratifiée.

La ratification de la convention s'est faite lentement. Dans l'interval, un certain nombre de questions internationales importantes, comme la sauvegarde de la vie humaine en mer, l'étalon de jaugeage, la pollution des eaux par les hydrocarbures, etc., ont retenu

*Depuis la négociation du contrat en 1951, les subventions versées à l'égard du service Prescott—Ogdensburg ont été remboursées en totalité.

III. Généralités

Services subventionnés de navires à vapeur

En conformité des dispositions de la Loi sur la Commission maritime canadienne, la Commission a continué d'administrer les subventions votées par le Parlement.

Au cours de l'année financière 1959-1960, les subventions ont été accordées uniquement pour les services côtiers et d'eaux intérieures. Trente services ont reçu de l'aide: deux sur le littoral ouest, deux sur les Grands lacs et vingt-six sur le littoral est; ces derniers comprennent les services du fleuve et du golfe Saint-Laurent ainsi que les services côtiers de Terre-Neuve que les chemins de fer Nationaux exploitent sur neuf routes différentes au moyen de onze navires. Sur le littoral ouest, une grève des marins a causé un arrêt de deux semaines des services subventionnés de navires à vapeur. Il y a aussi un nouveau service, celui de Trois-Pistoles-Les Escoumains, dont l'Etat et la province font les frais à parts égales.

Un nouveau navire, construit pour le ministère des Transports, sera affecté aux services entre l'île Pelée et la terre ferme. Pour l'exploitation de ce navire, on a fait un appel de soumissions qui devaient être présentées le 15 février 1960, au plus tard. L'entrepreneur précédent, la *Pelée Shipping Company Limited* a présenté la soumission la moins élevée et le contrat d'exploitation du service lui fut donc adjugé. Les inspecteurs de la Commission ont fait l'étude de tous les services et ont effectué des relevés afin de s'assurer de la nécessité des services existants. La Commission est représentée au comité permanent des explosifs relativement au Règlement sur le transport par mer des marchandises dangereuses, établi en vertu de la Loi sur la marine marchande du Canada. Elle fut aussi représentée à plusieurs comités interministériels chargés d'étudier les problèmes du transport dans diverses régions du pays.

SUBVENTIONS AUX NAVIRES À VAPEUR

<i>Crédits préliminaires</i>	<i>Versées en 1959-1960</i>		
\$	\$	<i>Services interprovinciaux</i>	
174,000	174,000	Québec—Ile du Prince-Edouard—Nouvelle-Ecosse.	
617,000	558,784	Nouvelle-Ecosse—Ile du Prince-Edouard.	
33,000	33,000	Nouveau-Brunswick.	
62,500	67,500	Nouveau-Brunswick—Québec.	
72,000	72,000	Ile du Prince-Edouard—Terre-Neuve.	
		<i>Services provinciaux</i>	
294,500	277,736	Colombie-Britannique.	
104,600	104,600	Nouveau-Brunswick.	
3,317,000	3,707,654	Terre-Neuve.	
196,900	196,900	Nouvelle-Ecosse.	
157,500	164,000	Ontario.	
1,059,200	1,225,200	Québec.	
6,088,200	6,581,374	Total des subventions aux navires à vapeur.	

péniches et chalands » ait été le moins élevée depuis 1954, il semble exister un flot continu de commandes pour des constructions de ce genre. La valeur des déterminations pour les « remorqueurs, bateaux de pêche, transbordeurs, etc., » n'a été dépassée qu'en 1958. Il semble donc qu'à la suite des lettres expédiées et des contacts personnels établis par la Commission, les constructeurs de navires de pêche se rendent compte de plus en plus des avantages que leur offre la loi; pas moins de vingt-huit déterminations de ce genre ont été établies en 1959. L'augmentation de la valeur des déterminations concernant des « conversions et des modifications importantes » est attribuable surtout aux additions et modifications apportées aux navires existants pour leur permettre de profiter de la voie maritime.

L'article 4 de la Loi prévoit que dans certains cas, lorsque des sommes provenant de la vente de navires sont utilisées à des remplacements satisfaisants dans des chantiers canadiens, la Commission maritime canadienne peut délivrer des certificats permettant l'exonération de la reprise de la dépréciation. Cette disposition de la Loi a stimulé considérablement les mises de fonds dans la construction de nouveaux navires. Depuis la mise en vigueur de la Loi jusqu'au 31 mars 1960, 98 certificats ont été délivrés en vertu de cet article à 75 requérants. Au cours de la dernière année 72 certificats ont été délivrés à 27 requérants.

La disposition de l'article 4 qui permet à un contribuable de déposer entre les mains de la Commission un montant égal à la taxe qu'il devrait payer si ce n'était de la Loi est maintenant plus connue et il s'ensuit que le nombre de ces dépôts a augmenté. Les propriétaires et les entrepreneurs éventuels sont de plus en plus au courant de cette loi et de ses avantages, en sorte que des sommes plus importantes provenant de cette source seront probablement affectées à la construction de navires.

TABLEAU IX
DÉTERMINATIONS DE COÛT EN CAPITAL CONCERNANT LES DEMANDES D'ALLOCATIONS PRÉVUES PAR L'ARTICLE 3
DE LA LOI AIDANT À LA CONSTRUCTION DE NAVIRES AU CANADA

Année financière	DÉTERMINATIONS RELATIVES AUX NOUVELLES CONSTRUCTIONS									
	Navires de charge		Dragues, péniches et chandals		Remorqueurs, bateaux de pêche, transbordeurs, etc.		Déterminations globales		DÉTERMINATIONS RELATIVES AUX CONVERSIONS ET IMPORTANTES MODIFICATIONS	
	Nom- bre	Valeur \$	Nom- bre	Valeur \$	Nom- bre	Valeur \$	Nom- bre	Valeur \$	Nom- bre	Valeur \$
1950/51.....	1	3,136,716.19	2	153,729.23	1	57,365.54	4	3,348,310.96	17	1,468,496.33
1951/52.....	6	9,127,824.52	6	251,115.88	11	1,177,791.17	23	10,556,731.57	16	1,113,820.56
1952/53.....	14	26,541,152.70	10	507,509.79	12	1,060,349.26	36	28,109,011.75	21	4,387,848.89
1953/54.....	8	18,841,346.88	19	987,490.10	41	1,026,306.06	68	20,855,143.04	17	3,213,387.25
1954/55.....	9	14,516,710.26	21	2,007,693.09	19	1,192,126.38	49	17,716,529.73	19	4,053,255.33
1955/56.....	9	2,795,475.19	37	3,532,817.18	16	1,310,892.58	62	7,639,184.95	10	2,390,890.59
1956/57.....	15	12,344,718.98	54	4,424,785.07	26	1,249,511.89	95	18,019,015.94	15	2,158,084.16
1957/58.....	8	8,207,693.36	35	5,581,527.51	29	1,726,183.70	72	15,515,404.57	9	1,233,670.72
1958/59.....	12	20,766,881.43	36	3,496,436.58	27	3,014,925.20	75	27,287,243.21	38	2,749,217.13
1959/60.....	10	27,370,998.60	31	3,008,347.80	42	1,956,792.52	83	32,336,138.92	43	8,744,563.91

NOTA: Les déterminations de coût en capital ci-dessus ne sauraient indiquer le nombre de navires construits au cours de chaque année financière puisque plusieurs déterminations provisoires peuvent être émises à l'égard du même navire.

PORT WELTER DRY DOCKS CO. LTD.				
28.....	Navire de transport en vrac	Puiss. sur l'arbre 6,000 ch. Turbo-électrique 1 hélice	16,500 t.f.	Upper Lakes Shipping Co. Ltd.
Wheat King (Conversion).....	Navire de transport en vrac	Diesel 1 hélice	15,500	Island Shipping Co. Ltd.
29.....	Navire de charge et à passagers	Puiss. sur l'arbre 3,400 ch. Diesel 2 hélices	3,600	Ministère des Transports
CANADIAN VICKERS LIMITED				
John A. France.....	Navire de transport en vrac	Puiss. sur l'arbre 9,000 ch. Turbine à vapeur	17,000	Scott Misener Steamships Ltd.
CANADIAN VICKERS LIMITED (Suite)				
276.....	Navire de transport en vrac	Puiss. sur l'arbre 9,000 ch. Turbine à vapeur	17,000	Scott Misener Steamships Ltd.
277.....	Navire de charge et à passagers	Puiss. sur l'arbre 3,400 ch. Diesel 2 hélices	3,600	Ministère des Transports
MARINE INDUSTRIES LIMITED				
269.....	Pétrolier.....	Puiss. sur l'arbre 4,000 ch. Diesel	7,100	Marine Industries Limited
DAVIE SHIPBUILDING LIMITED				
Emerillon.....	Pétrolier.....	Puiss. sur l'arbre 16,000 ch. Vapeur 1 hélice	41,245	Papachristidis Tankers Ltd.
John A. MacDonald.....	Brise-glace.....	Puiss. sur l'arbre 15,000 ch. Diesel-électrique 2 hélices	3,380	Ministère des Transports
626.....	Remorqueur.....	Puiss. au frein 960 ch.....	—	Davie Shipbuilding Limited
624.....	Navire de transport en vrac	Puiss. sur l'arbre 4,400 ch. Turbine 1 hélice	15,250	N. M. Paterson & Sons
625.....	Navire de transport en vrac	Puiss. sur l'arbre 9,000 ch. Turbine 1 hélice	26,560	Canada Steamship Lines Ltd.
GEO. T. DAVIE & SONS LIMITED				
Beauport.....	Sondeur.....	Puiss. au frein 1,280 ch. Diesel 2 hélices	400	Ministère des Transports
—	Drague.....	Aucun.....	—	Ministère des Travaux publics
SAINT JOHN DRY DOCK CO. LTD.				
39.....	Ravitailleur et baliseur...	Puiss. au frein 2,000 ch. Diesel 2 hélices	850	Ministère des Transports
40.....	Drague.....	—	—	Beaver Dredging Co. Ltd.
41.....	Navire de charge et à passagers	Puiss. au frein 1,200 ch. Diesel 2 hélices	700	Ministère des Transports
HALIFAX SHIPYARDS LTD.				
—	Drague.....	Aucun.....	—	Ministère des Travaux publics
—	Transbordeur d'autos et de passagers	Puiss. sur l'arbre 5,200 ch. Diesel-électrique	—	Ministère des Transports
FERGUSON INDUSTRIES LTD.				
John Guy.....	Transbordeur d'autos et de passagers	1,000 ch. Diesel 2 hélices.....	700	Ministère des Transports

TABLEAU VIII
CARACTÉRISTIQUES DES NAVIRES EN PRÉPARATION OU EN CONSTRUCTION DANS LES CHANTIERS CANADIENS
AU 31 MARS 1960
(à l'exclusion des navires de guerre)

Chantier et n° de coque	Type de navire	Appareil propulseur	Port en lourd estimatif	Propriétaire
YARROWS LIMITED 196.....	Chaland en acier à dé- chargement automati- que 5 chalands en acier.....	Aucun.....	3, 000	B.C. Forest Products Ltd.
197 à 201.....		Aucun.....	600 t.l.	Vancouver Tug Boat Co. Ltd.
BURRARD DRY DOCK CO. LTD. 310.....	Drague aspirante à clapets	Puiss. au frein 3,600 ch. Diesel-électrique	—	Ministère des Travaux publics
PORT ARTHUR SHIPBUILDING LTD. Midland Prince (Conversion).....	Navire de transport en vrac	Puiss. sur l'arbre 1,440 ch. Vapeur 1 hélice	6, 900	Canada Steamship Lines Ltd.
THE COLLINGWOOD SHIPYARDS LTD. Murray Bay.....	Navire de transport en vrac	Puiss. sur l'arbre 8,500 ch. Turbine 1 hélice	24, 500	Canada Steamship Lines Ltd.
165.....	Navire de transport en vrac	Puiss. sur l'arbre 8,500 ch. Turbine 1 hélice	24, 500	Carryore Limited
166.....	Navire de charge et à passagers	Puiss. sur l'arbre 1,200 ch. Diesel 2 hélices	750	Ministère des Transports
THE COLLINGWOOD SHIPYARDS LTD. (Suite) 169.....	Navire océanique à cais- sage	Puiss. au frein 6,000 ch. Diesel 2 hélices	10, 500	Canada Steamship Lines Ltd.
RUSSEL-HIPWELL ENGINES LTD. Ville-Marie.....	Navire hydrographique...	Puiss. sur l'arbre 1,000 ch. Diesel-électrique 2 hélices	500	Ministère des Transports
Midgell.....	Remorqueur.....	Diesel 2 hélices.....	14 t.l.	Ministère des Travaux publics
1189 et 1195.....	2 remorqueurs.....	Puiss. sur l'arbre 600 ch. Diesel 2 hélices	42 ch.	Drake Construction Limited
1191 et 1192.....	2 péniches.....	Aucun.....	324 ch.	Drake Construction Limited
1190.....	Remorqueur.....	Puiss. sur l'arbre 400 ch. Diesel 2 hélices	20	Drake Construction Limited

et du Saint-Laurent, permettant aux premiers de faire concurrence aux seconds pour ce qui est de la construction de navires océaniques et aux seconds de construire de gros navires de transport en vrac destinés à l'exploitation sur les Grands lacs. C'est ainsi que les chantiers de Collingwood construiront un navire de charge océanique et que les chantiers du Saint-Laurent entreprennent la construction de plusieurs navires de transport en vrac.

La valeur des navires commandés est inférieure à ce qu'elle a été depuis plusieurs années et la grande majorité des commandes portées sur la construction de navires de guerre ou d'autres navires de l'Etat; les commandes de navires de commerce représentent moins que le quart du total. En outre, presque toutes les commandes de navires de commerce, au montant global de 57 millions, sont concentrées dans les régions des Grands lacs et du Saint-Laurent. Sur le littoral du Pacifique un peu plus de 2 p. 100 de la construction en cours se fait pour le compte de particuliers et sur le littoral de l'Atlantique, le pourcentage des commandes de ce genre est négligeable.

Le tableau suivant donne la valeur estimative des navires de chaque catégorie en préparation ou en construction dans les quatre régions de construction maritime au 31 mars 1960.

<i>Navires de guerre</i>	<i>Autres navires de l'Etat</i>	<i>Navires de commerce</i>	<i>Total</i>
\$ 50,000,000	\$ 3,190,000	\$ 1,246,000	\$ 54,436,000
Côte du Pacifique.....	5,115,100	16,975,000	22,090,100
Grands lacs.....	—	37,575,000	140,390,000
Saint-Laurent.....	15,315,000	1,500,000	34,478,000
Côte de l'Atlantique.....	7,978,000	57,296,000	251,394,100
\$162,500,000	\$ 31,598,100		

Le coût estimatif en capital de tous les navires en préparation ou en chantier, au 31 mars 1960, s'élevait à \$251,394,100. Cette somme représente les commandes de six navires d'escorte et d'un pétrolier pour le compte du ministère de la Défense nationale, ainsi que de treize navires destinés à d'autres ministères de l'Etat et de vingt-trois navires de commerce qui sont énumérés dans le Tableau VIII.

Loi aidant à la construction de navires au Canada

Le tableau IX fait voir que pour l'année financière se terminant le 31 mars 1960, la valeur des déterminations de coût en capital établies par la Commission pour de nouvelles constructions et des modifications importantes a été le plus élevée depuis l'entrée en vigueur de la loi en 1950.

L'augmentation de la valeur des déterminations pour les «navires de charge» est attribuable surtout au nombre de navires de transport en vrac que l'on est à construire et à l'achèvement de deux navires océaniques. Bien que la valeur des déterminations pour les «dragues,

TABLEAU VII

VALEUR DES NAVIRES LIVRÉS AINSI QU'OE DES RÉPARATIONS ET CONVERSIONS EFFECTUÉES
PAR LES CHANTIERS CANADIENS, 1952-1959

Région de construction	1952	1953	1954	1955	1956	1957	1958	1959
LITTORAL DU PACIFIQUE	\$	\$	\$	\$	\$	\$	\$	\$
Construction navale.....	3,021,670	287,835	14,020,684	2,470,000	3,765,960	53,837,870	2,030,940	69,957,000
Réparations et conversions.....	7,217,901	7,335,846	5,037,300	8,138,654	9,465,965	11,098,523	5,310,980	5,956,737
	10,239,571	7,623,681	19,057,984	10,608,654	13,231,925	64,936,393	7,341,920	75,913,737
GRANDS LACS								
Construction navale.....	31,075,024	3,502,850	32,514,789	6,643,600	3,951,600	12,461,820	17,031,200	17,854,695
Réparations et conversions.....	4,679,525	5,926,099	5,276,251	2,895,745	3,975,387	3,917,132	8,976,266	3,897,168
	35,754,549	9,428,949	37,791,040	9,539,345	7,926,987	16,378,952	26,007,466	21,751,863
SAINT-LAURENT								
Construction navale.....	6,282,390	40,325,000	38,689,200	37,783,150	48,100,400	14,545,600	64,919,000	41,908,980
Réparations et conversions.....	14,717,394	21,254,741	14,108,262	7,898,312	10,377,731	9,373,341	8,688,980	12,702,543
	20,999,784	61,579,741	52,797,462	45,681,462	58,478,131	23,918,941	73,607,980	54,611,523
LITTORAL DE L'ATLANTIQUE								
Construction navale.....	1,604,250	300,000	7,950,000	370,000	17,916,000	28,713,900	3,668,000	23,053,570
Réparations et conversions.....	11,147,247	16,570,462	13,722,715	8,107,094	6,021,147	8,741,738	9,030,359	7,674,935
	12,751,497	16,870,462	21,672,715	8,477,094	23,937,147	37,455,638	12,698,359	30,728,505
RÉSUMÉ								
Construction navale.....	41,982,334	44,415,685	93,174,673	47,266,750	73,733,960	109,559,190	87,649,140	152,774,245
Réparations et conversions.....	37,762,067	51,097,148	38,144,528	27,039,805	29,840,230	33,130,734	32,006,585	30,231,383
	79,744,401	95,512,835	131,319,201	74,305,555	103,574,190	142,689,924	119,655,725	183,005,628

Par comparaison, on trouvera au tableau VII la valeur des navires livrés par les chantiers canadiens de 1952 à 1959 ainsi que la valeur des réparations et transformations effectuées par ces mêmes chantiers durant la même période.

Emploi

La moyenne mensuelle de l'emploi dans cette industrie (d'après les rapports de 16 chantiers) a été de 10,372, soit une baisse d'environ 21 p. 100 au regard du chiffre de 1958. Comme l'indique le tableau ci-après, toutes les régions de construction ont accusé une baisse du niveau de l'emploi, mais la baisse a été la plus marquée dans la région du Saint-Laurent. Les chiffres pour les trois premiers mois de 1960 indiquent que le niveau de l'emploi sera de nouveau inférieur à celui de l'année précédente.

Voici la moyenne mensuelle de l'emploi dans les principales régions de construction navale au cours de la période 1946-1959 :

Année	Nombre de chantiers ayant fait rapport	Côte du Pacifique	Grands lacs	Saint-Laurent	Côte de l'Atlantique	Total
1946	16	4,988	2,148	6,272	2,991	16,399
1947	16	4,119	1,485	8,874	2,657	17,135
1948	16	2,949	2,308	8,045	1,976	15,278
1949	16	1,496	2,168	4,230	1,937	9,831
1950	17	1,100	2,202	3,892	1,336	8,530
1951	19	2,080	2,803	5,237	1,913	12,033
1952	19	2,595	3,591	8,092	2,909	17,187
1953	20	2,547	3,082	10,490	3,511	19,630
1954	19	2,555	1,994	7,407	3,544	15,500
1955	17	2,566	1,267	5,448	3,151	12,432
1956	17	3,544	1,494	6,096	2,757	13,891
1957	16	4,000	1,929	6,520	2,536	14,985
1958	16	2,831	2,362	5,537	2,346	13,076
1959	16	2,176	1,838	4,332	2,026	10,372

Perspectives

Dans son dernier rapport annuel, la Commission exprimait l'avis qu'il est très désavantageux qu'un chantier maritime en vienne à dépendre uniquement de commandes de l'Etat ou de réparations et de réarmement de navires de guerre. Elle fait donc tout ce qu'elle peut pour accroître le nombre de commandes commerciales parce qu'à défaut de l'augmentation de celui-ci, l'industrie ne pourra pas maintenir l'emploi à son niveau actuel. Il faut noter que la moitié seulement de l'argent destiné à la construction de navires de guerre sera dépensée dans les chantiers maritimes du Canada; les industries auxiliaires se partageront l'autre moitié, ce qui renforcit l'économie canadienne mais ne profite pas directement aux chantiers maritimes. En plus d'exercer une influence sur le transport maritime, l'achèvement de la voie maritime du Saint-Laurent a modifié la répartition des contrats de construction de navires au Canada. Il a renversé le rôle traditionnel des chantiers maritimes des Grands lacs

produisent 4,250 chevaux sur l'arbre, aura sa base à Halifax. Le Wolfe et le *Sir Humphrey Gilbert*, navires de 220 pieds, seront stationnés à Saint-Jean (Terre-Neuve), et deux brise-glace un peu plus petits, dotés d'équipement de recherches et de sauvetage, le *Simon Fraser*, 204 pieds, et le *Tupper* seront stationnés l'un à Victoria et l'autre à Charlottetown. Le *Alexander Henry*, 210 pieds, sera mis en service sur les Grands lacs et sera stationné à Parry Sound.

Deux autres navires remarquables ont été construits pour le Gouvernement fédéral. L'un est le *Cygnus*, patrouilleur des pêches de 154 pieds, livré au ministère des Pêcheries par la *Canadian Vickers Limited*. Ce navire, renforcé pour la navigation dans les glaces, patrouillera les eaux côtières de Terre-Neuve et des provinces Maritimes afin de protéger et de réglementer l'industrie de la pêche dans cette région. L'autre est le *Lightship No. 4*, bateau-phare de 128 pieds, livré au ministère des Transports par les *Kingsston Shipyards Limited*. Ce navire porte une lanterne clignotante de 130,000 bougies au sommet de son mât tripode.

Le *Federal Monarch*, navire-citerne de 710 pieds et de 41,245 tonnes de port en lourd, est le plus grand navire jamais construit dans un chantier maritime du Canada. Il a été construit par la *Davie Shipyards Limited* pour les *Federal Petroleum Carriers Limited*. Il a, à l'arrière, une machine à vapeur à turbines parallèles avec réducteurs qui produit 17,600 c.-v. sur l'arbre et donne au navire une vitesse de service de 17½ noeuds. Son hélice à cinq pales, pesant trente tonnes, est la plus grande jamais manipulée dans un chantier maritime canadien. Conçu pour service mondial, il est à l'heure actuelle affrété par l'*Imperial Oil Limited* qui l'utilise pour le transport du pétrole brut du Venezuela aux Etats-Unis.

Réparation de navires

Dans le domaine de la réparation navale, les chantiers ont réparé, réarmé ou mis en cale sèche 2,221 navires marchands et 78 navires de guerre. La valeur globale des travaux terminés en 1959 s'est établie à \$30,231,383, répartie entre les quatre régions de construction, ainsi que le laisse voir le tableau ci-dessous. Par rapport à 1958, ce chiffre représente une baisse de \$1,775,202 ou de 5½ p. 100. Quoique la valeur de ces travaux ait connu une augmentation sensible dans la région du Saint-Laurent, elle a, malheureusement été plus que neutralisée par des baisses dans les régions de la côte du Pacifique, des Grands lacs ou de la côte de l'Atlantique.

Navires de guerre	Navires de commerce	Valeur en dollars
10	590	\$ 5,956,737
4	252	3,897,168
4	676	12,702,543
76	703	7,674,935
94	2,221	\$ 30,231,383
Côte du Pacifique.....		
Grands Lacs.....		
Saint-Laurent.....		
Côte de l'Atlantique.....		

PORT WELLER DRY DOCKS LTD. <i>Seaway Queen</i>	Navire de transport en vrac	Puiss. sur l'arbre 7,500 ch. Turbine 1 hélice	16,053	Upper Lakes Shipping Ltd.
KINGSTON SHIPYARDS LTD. <i>Lightship n° 4</i>	Bateau-phare.....	Puiss. au frein 500 ch. Diesel 2 hélices	521	Ministère des Transports
<i>Sirocco</i>	Yacht.....	Puiss. au frein 750 ch. Diesel 2 hélices	57	Gulf & Lake Navigation Co. Ltd.
<i>Coques nos 83, 84, 85 & 86</i>	4 péniches.....	Aucun.....	224 ch.	McNamara Construction Co. Ltd.
CANADIAN VICKERS LTD. <i>Wolfe</i>	Brise-glace et ravitailleur	Puiss. indiquée 4,000 ch. Vapeur 1 hélice	2,022	Ministère des Transports
<i>Cygnus</i>	Patrouilleur.....	Puiss. au frein 2,150 ch. Diesel	524	Ministère des Pêcheries
MARINE INDUSTRIES LTD. <i>Tapper</i>	Navire de recherches et de sauvetage	Puiss. au frein 2,900 ch. Diesel-électrique	1,358	Ministère des Transports
DAVIE SHIPBUILDING LTD. <i>Sir Humphrey Gilbert</i>	Brise-glace.....	Puiss. sur l'arbre 4,250 ch. Diesel-électrique 2 hélices	1,931	Ministère des Transports
<i>H.M.C.S. Gatineau</i>	Navire d'escorte.....	Turbine 2 hélices.....	—	Marine royale canadienne
<i>Bskimo</i>	Navire de charge.....	Puiss. sur l'arbre 3,200 ch. Diesel	4,462	Canada Steamship Lines Ltd.
<i>Federal Monarch</i>	Pétrolier.....	Puiss. sur l'arbre 16,000 ch. Vapeur 1 hélice	26,912	Federal Tankers Ltd.
GEO. T. DAVIE & SONS LTD. <i>La Verendrye</i>	Baliseur.....	Puiss. au frein 760 ch. Diesel 2 hélices	297	Ministère des Transports
HALIFAX SHIPYARDS LTD. <i>Sir William Alexander</i>	Ravitailleur et baliseur...	Puiss. sur l'arbre 4,250 ch. Diesel-électrique	2,154	Ministère des Transports
<i>H.M.C.S. Chaudière</i>	Navire d'escorte.....	Turbine 2 hélices.....	—	Marine royale canadienne
<i>N.R.E. (Éclouage)</i>	Chaland en acier.....	Aucun.....	—	Conseil de recherches pour la défense
FERGUSON INDUSTRIES LTD. <i>Gulf Spray</i>	Remorqueur.....	Puiss. au frein 150 ch..... Diesel	15	Gulf Services Ltd.
<i>G.S. 134</i>	Péniche en acier.....	Aucun.....	100	Gulf Service Ltd.
<i>G.S. 130 et 131</i>	2 péniches en acier.....	Aucun.....	30 ch.	Gulf Service Ltd.

TABLEAU VI
CARACTÉRISTIQUES DES NAVIRES DE L'ÉTAT ET DES NAVIRES MARCHANDS LIVRÉS
PAR LES CHANTIERS CANADIENS EN 1959

Chantier et nom du navire	Type de navire	Appareil propulseur	Tonneaux de jauge brute	Propriétaire
YARROWS LIMITED <i>Camsell</i>	Brise-glace et baliseur...	Puiss. sur l'arbre 4,250 ch. Diesel-électrique 2 hélices	2, 022	Ministère des Transports
V. T. n° 65.....	Chaland en acier.....	Aucun.....	1,298	Vancouver Tug Boat Co. Ltd.
Chaland n° 402.....	Chaland-citerne.....	Aucun.....	292	Texaco Canada Ltd.
G. of G. n°s 206, 207, 208 et 209,...	Chandals en acier.....	Aucun.....	782 ch.	Gulf of Georgia Towing Co. Ltd.
S. & R. n°s 9 et 10.....	Chandals en acier	Aucun	366 ch.	R. J. Bicknell & T. S. Byrn
VICTORIA MACHINERY DEPOT CO. LTD. <i>H.M.C.S. Terra Nova</i>	Navire d'escorte	Turbine 2 hélices	—	Marine royale canadienne
<i>A. S. n° 2</i>	Chaland en acier.....	Aucun.....	798	Arctic Shipping Ltd.
BURRARD DRY DOCK CO. LTD. <i>H.M.C.S. Kooley</i>	Navire d'escorte.....	Turbine 2 hélices.....	—	Marine royale canadienne
<i>H.M.C.S. Columbia</i>	Navire d'escorte.....	Turbine 2 hélices.....	—	Marine royale canadienne
<i>Simon Fraser</i>	Ravitailleur et baliseur...	Puiss. sur l'arbre 2,900 ch. Diesel-électrique 2 hélices	1,353	Ministère des Transports
PORT ARTHUR SHIPBUILDING LTD. <i>Alexander Henry</i>	Brise-glace et baliseur...	Puiss. au frein 3,550 ch.. Diesel 2 hélices.....	1,674	Ministère des Transports
<i>B. A. Peerless (Conversion)</i>	Pétrolier.....	Puiss. sur l'arbre 4,500 ch. Turbine 1 hélice.....	10,900	British American Oil Co. Ltd.
THE COLLINGWOOD SHIPYARDS LTD. <i>Menihok Lake</i>	Navire de transport en vrac.....	Puiss. sur l'arbre 8,500 ch. Turbine 1 hélice.....	17,023	Carryore Ltd.
RUSSEL-HIPWELL ENGINES LTD. <i>Martin E. Johnson</i>	Remorqueur.....	Puiss. sur l'arbre 400 ch. Diesel.....	27	Marathon Corporation
<i>Velma Linda</i>	Chaloupe.....	Puiss. au frein 130 ch.. Diesel.....	30	S. Coveyduck
<i>Cogue n° 1177</i>	Péniche.....	Aucun.....	26	Paradis & Sons

II. Construction et réparation des navires

Construction navale

Au cours de 1959, les chantiers les plus importants ont livré 38 navires, dont les caractéristiques sont données au tableau VI. Vingt-deux d'entre eux étaient destinés à des fins commerciales, cinq à la Marine royale du Canada et onze à divers ministères du Gouvernement fédéral. Les navires de commerce étaient surtout des chalands et des péniches mais comprenaient aussi deux grands navires de transport en vrac, le *Seaway Queen* et le *Menihik Lake*, ce dernier étant le plus grand navire jamais construit jusqu'alors sur les Grands lacs au Canada. Deux autres navires de commerce d'un intérêt exceptionnel ont été livrés à leurs propriétaires: l'*Esquimo*, destiné au service sur les routes de ravitaillement de l'Arctique en été et dans l'Atlantique-Nord en hiver, et le *Federal Monarch*, navire-citerne de 40,000 tonnes, le plus grand navire jamais construit dans un chantier maritime canadien.

Si l'on exclut les navires de guerre, la jauge brute globale de tous les navires construits en 1959 dans les principaux chantiers maritimes s'élève à 96,713 tonnes. La valeur globale de tous les navires livrés est d'environ \$152,744,245. Comparativement aux chiffres de 1958, il y a eu augmentation de 9 $\frac{1}{2}$ p. 100 de la jauge brute globale et de 74 p. 100 de la valeur en dollars des navires livrés; la forte augmentation de la valeur est surtout due au nombre exceptionnel-
nel des navires de guerre livrés.

Les navires les plus remarquables livrés en 1959 ont sans doute été le *Terra Nova*, le *Kootenay*, le *Columbia*, le *Gatineau* et le *Chaudière*, cinq destroyers d'escorte de la Marine royale du Canada, qui se rangent au nombre des navires les plus perfectionnés du monde dans leur genre. Toutefois, plusieurs autres navires ont des caractéristiques exceptionnelles et leur construction démontre la souplesse de nos chantiers maritimes. Parmi ceux-ci, le brise-glace *Camsell* a été le premier du genre construit dans l'Ouest du Canada. Ce navire de 224 pieds est destiné à servir dans l'Ouest de l'Arctique et contournera l'Alaska jusqu'à Shepherds Bay. Lancé à la *Burrard Dry Dock* au début de l'année, le navire fut confié à la *Varrows Limited*, une filiale pour armement et parachèvement. Il est doté d'un pont pour hélicoptères et ses machines de propulsion diesel-électriques ont une puissance de 4,250 chevaux-vapeur. Son rayon d'action est de 12,000 milles et sa vitesse de croisière de 11 nœuds.

Les chantiers maritimes du Canada ont construit un nombre exceptionnel de brise-glace l'an dernier. Entre autres, la compagnie *Halifax Shipyards Limited* a construit le *Sir William Alexander*, navire de 273 pieds qui est à la fois brise-glace, baliseur et ravitailleur. Ce navire, dont les machines de propulsion diesel-électriques

Le tableau suivant donne le tonnage et le pourcentage des principales denrées transportées par les navires côtiers en 1958:

Tonnes courtes (en milliers)	Denrées	Pour- centage en
12,409,065	Grains.....	30.7
7,708,265	Pétroles et dérivés.....	19.1
4,884,060	Bois à pâte et copeaux.....	12.1
2,804,588	Minerais de fer.....	6.9
2,376,070	Charbon et coke.....	5.9
1,813,275	Sable, gravier et pierre concassée.....	4.5
1,660,809	Billes, perches, poteaux, etc.....	4.1
721,706	Ciment.....	1.8
570,959	Minéraux industriels.....	1.4
364,537	Etelles.....	0.9
362,148	Pierre calcaire.....	0.9
341,328	Produits agricoles.....	0.8
309,556	Gypse.....	0.8
307,162	Papier-journal et autres papiers.....	0.7
220,365	Produits manufacturés.....	0.5
192,321	Produits miniers.....	0.5
168,562	Barres de fer ou d'acier.....	0.4
130,580	Bois de grosse et de petite charpente.....	0.3
3,129,605	Autres denrées.....	7.7
40,474,961		100.0%

Registres des navires

La Commission tient des registres contenant le nom des propriétaires ainsi que la description de tous les navires automoteurs d'une jauge brute de 100 tonneaux ou plus, qui sont immatriculés au Canada ou qui, tout en appartenant à des Canadiens, sont immatriculés au Royaume-Uni en vertu du Plan de transfert. Des registres semblables ont été établis à l'égard des navires appartenant à des ministères du Gouvernement fédéral. Les mouvements et l'affectation de tous les navires de commerce susmentionnés sont aussi inscrits dans des registres.

La navigation côtière au Canada

Une estimation provisoire indique une augmentation de plus d'un million de tonnes dans le volume des marchandises transportées par les navires côtiers en 1959. La participation des navires non immatriculés au Canada a été plus grande que jamais; ils se sont partagé la majeure partie du transport en vrac et ont transporté 300,000 tonnes de marchandises de plus que l'année précédente. La plupart de ces navires renouvelaient leurs opérations des années précédentes, étant des habitués des services côtiers spécialisés du Saint-Laurent et du littoral atlantique. La plupart des nouveaux venus ont transporté du grain à partir des ports des Grands lacs.

Au cours de l'année, 84 navires immatriculés au Royaume-Uni et quatre navires immatriculés dans d'autres pays du Commonwealth participent à notre navigation côtière ont transporté plus de 5 millions de tonnes de marchandises. Vingt-sept des navires immatriculés au Royaume-Uni appartenaient à des Canadiens. Des navires battant pavillon du Royaume-Uni ont transporté environ 400,000 tonnes de grains des éleveurs de Fort William et de Prescott à des ports du Saint-Laurent et à Halifax. Les années précédentes, la majeure partie de ce trafic avait été transportée par des navires battant pavillon canadien.

Environ 70 p. 100 des navires battant pavillon du Royaume-Uni qui ont participé à la navigation côtière au Canada ont transporté 4 millions de tonnes de marchandises diverses ou en vrac. Ils ont transporté 90 p. 100 du minerai de fer expédié de Wabana à Sydney et de Sept-Iles à Contrecoeur, 86 p. 100 du gypse expédié des ports de la Nouvelle-Ecosse à Montréal, 70 p. 100 de la houille du cap Breton expédiée aux ports du Saint-Laurent et de Terre-Neuve, et tout le minerai d'ilménite expédié de Havre Saint-Pierre à Sorel. Ils ont aussi transporté 50 p. 100 des marchandises à destination ou en provenance de l'Arctique canadien.

Les autres navires côtiers battant pavillon du Royaume-Uni (30 p. 100) ont assuré des services de ligne et transporté plus de 350,000 tonnes de marchandises, surtout entre les ports des Grands lacs, de Terre-Neuve, du Saint-Laurent et de l'Atlantique.

Sur les cinquante-six navires battant pavillon du Royaume-Uni qui ont transporté des marchandises diverses ou en vrac, quatre avaient moins de 1,000 tonnes de jauge brute; quatre avaient entre 1,000 et 2,000 tonnes; dix-sept, de 2,000 à 5,000; vingt-quatre, de 5,000 à 10,000 et sept étaient des transporteurs de minerai de 10,000 et de 22,000 tonnes de jauge brute. Les vingt-huit navires restants étaient affectés à des services de ligne et leur jauge brute était la suivante: moins de mille tonnes, sept; de 1,000 à 2,000 tonnes, douze; 3,340 tonnes, deux; de 5,000 à 7,000 tonnes, sept.

SERVICES DE LIGNE EXPLOITÉS À PARTIR DU CANADA EN 1959—Fin

Moyenne mensuelle des départs	Parcours	Nombre et nationalité des lignes		Environ un tous les deux mois
		3 américaines	2 norvégiennes 1 suédo- norvégienne	
	Ports du Pacifique—Extrême-Orient.....	6 japonaises	1 norvégienne	16
	Ports du Pacifique—Iles du Pacifique.....	1 norvégienne		
	Ports du Pacifique—Côte américaine du Pacifique.....	4 japonaises		4
	Ports du Pacifique—Côte du Pacifique, golfe et côte de l'Atlantique des E.-U., l'Atlantique.....	1 japonaise		1
	Tour du monde à partir des ports de l'Atlantique.....	1 américaine		2

Traffic direct entre les Grands lacs et les ports d'outre-mer

Compte tenu des services de ligne à partir des Grands lacs mentionnés à la section précédente ainsi que des navires immatriculés aux Etats-Unis, les archives de la Commission indiquent que, en 1959, 506 navires immatriculés dans d'autres pays que le Canada et assurant des services de tramping ou des services de ligne ont effectué 1,146 voyages jusqu'aux Grands lacs à partir de ports d'outre-mer. Voici la répartition de ces navires par pays d'immatriculation :

Pays d'immatriculation		Nombre de navires	1,146 voyages
Allemagne.....	91	234	1
Colombie.....	1	1	1
Costa-Rica.....	1	1	37
Danemark.....	18	1	1
Egypte.....	1	1	1
Eire.....	1	1	2
Espagne.....	2	2	80
Etats-Unis.....	36	7	14
Finlande.....	12	16	26
France.....	11	16	10
Grèce.....	6	10	25
Israël.....	13	2	2
Italie.....	2	1	1
Japon.....	1	1	1
Liban.....	49	84	217
Liberia.....	96	18	33
Norvège.....	18	20	52
Panama.....	86	232	74
Royaume-Uni.....	32	1	2
Suède.....	1	1	1
Suisse.....	1	1	1
Yougoslavie.....	1	1	1

Moynne mensuelle des départs	Nombre et nationalité des lignes	Parcours
9	1 allemande —pays inconnu 1 américaine 1 colombienne* 1 équatorienne 1 française	Ports des Grands lacs—Caraïbes.....
7	1 américaine* 3 japonaises 1 panamienne	Ports du Pacifique—Caraïbes.....
3	1 britannique 1 norvégienne	Ports du Saint-Laurent et de l'Atlantique— Afrique occidentale, méridionale et orientale.....
Envron un tous les deux mois	1 norvégienne	Ports des Grands lacs—Afrique méridionale et orientale.....
2	1 hollandano-norvégienne 1 japonais 1 nippo-sud africaine	Ports du Pacifique—Afrique méridionale et orientale.....
1	1 britannique	Ports du Saint-Laurent et de l'Atlantique— Inde et golfe Persique.....
3	1 américaine 1 hollandano-norvégienne	Ports du Pacifique—Inde et golfe Persique
5	1 allemande 1 suédoise	Côte orientale de l'Amérique du Sud... Ports du Saint-Laurent et de l'Atlantique—
3	1 américaine 3 japonaises	Côte orientale de l'Amérique du Sud... Ports du Pacifique—Côte orientale de
1	1 guatémaltèque	Ports du Saint-Laurent et de l'Atlantique— Côte orientale de l'Amérique centrale...
1	1 américaine	Ports du Saint-Laurent et de l'Atlantique —Côte occidentale de l'Amérique du Sud
1	1 colombio- équatorienne**	Ports du Pacifique—Côte occidentale de l'Amérique du Sud.....
5	1 chilienne	Ports du Saint-Laurent et de l'Atlantique— Australie et Nouvelle-Zélande.....
2	1 britannique	Ports du Pacifique—Australie et Nouvelle- Zélande.....
5	1 allemande 1 néo-zélandaise 1 suédoise	Ports du Pacifique—Australie et Nouvelle- Zélande.....
5	1 hollandano- britannique 1 japonaise	Ports du Saint-Laurent et de l'Atlantique— Extrême-Orient.....

*La plupart des lignes canadiennes ont affrété des navires non canadiens pour assurer ou accroître leur service-marchandises.

**Et via le détroit de Magellan jusqu'à la côte orientale de l'Amérique du Sud.

TABLEAU V

SERVICES DE LIGNE EXPLOITÉS À PARTIR DU CANADA EN 1959

Parcours	Nombre et nationalité des lignes	Moyenne mensuelle des départs
Ports du Saint-Laurent et de l'Atlantique— Royaume-Uni et Eire.....	1 allemande 10 britanniques* 1 irlandaise 1 italienne 1 polonaise	36
Ports du Saint-Laurent et de l'Atlantique— Nord et nord-ouest de l'Europe.....	4 allemandes 2 britanniques* 1 grecque 2 hollandaises	16
Ports des Grands lacs—Royaume-Uni.....	9 britanniques* —pays inconnu 1 hollandaise 1 norvégienne	20
Ports des Grands lacs—Nord et nord-ouest de l'Europe.....	3 allemandes 1 britannique* 1 canadienne* —pays inconnu 1 norvégienne 2 suédoises	34
Ports du Pacifique—Royaume-Uni et nord et nord-ouest de l'Europe.....	1 allemande 1 américaine 1 anglo- hollandaise 2 britanniques* 1 canadienne* 1 danoise	22
Ports du Saint-Laurent et de l'Atlantique— Méditerranée.....	1 américaine 1 anglo-germano-égyptienne 1 française 1 israélienne 1 italienne 1 italo-canadienne*	4
Ports des Grands lacs—Méditerranée.....	1 américaine 1 anglo-française 1 hollandaise 1 norvégienne 1 israélienne 1 italo-canadienne*	13
Ports du Pacifique—Méditerranée.....	2 italiennes	2
Ports du Saint-Laurent et de l'Atlantique— Caraïbes.....	1 britannique* 1 canadienne* 1 colombo-équatorienne 1 suédoise	19

*La plupart des lignes canadiennes ont affrété des navires non canadiens pour assurer ou accroître leur service-marchandises.

L'argent disponible en vertu du Plan a été affecté à la construction de certains navires remarquables dans les chantiers du Canada; notamment, plusieurs grands transports de minéral, deux navires-citernes de 28,000 tonneaux et deux navires-citernes de 40,000 tonneaux, ces derniers étant les plus grands navires jamais construits au Canada. La majeure partie du solde en caisse est destinée à la construction de nouveaux navires.

Plan de transfert

Le 31 mars 1960, trente-cinq navires appartenant à des compagnies canadiennes étaient immatriculés au Royaume-Uni en vertu du Plan de transfert. La plupart de ces navires sont assujettis au pacte du pavillon qui interdit leur vente à l'étranger sans l'autorisation du Gouvernement. Ils sont censés représenter la participation du Canada à tout plan allié de mise en commun des navires qui pourrait être établi en cas d'urgence. Toutefois, depuis que leurs gérants au Royaume-Uni ne sont plus obligés de se faire payer en dollars le coût du transport des marchandises, les arrangements spéciaux de transfert ne sont plus tout à fait aussi avantageux aux armateurs canadiens.

Services de ligne

Les services de ligne exploités à partir de ports canadiens ont augmenté d'environ 18 p. 100 en 1959. Selon toute attente, l'expansion la plus significative de ces services s'est produite sur les Grands lacs. Dix des lignes établies ont augmenté leur capacité de transport au cours de la dernière saison en remettant en service vingt-deux navires modifiés à cette fin. Neuf nouveaux services de ligne ont été établis et cinq nouveaux navires spécialement construits en vue de leur exploitation sur la voie maritime ont été ajoutés aux services en existence. Six lignes ont prolongé leurs services jusque dans les Grands lacs, l'une d'elle établissant un service direct avec les ports du sud-est de l'Afrique.

Sept nouveaux services de ligne ont été inaugurés à partir des ports du Saint-Laurent et du littoral atlantique, mais, à cause de diminutions dans les services existants, il y a eu un peu moins de départs pendant l'année. Pour la première fois, il y a eu des services directs entre l'Est du Canada et le littoral est de l'Amérique centrale et le littoral ouest de l'Amérique du Sud.

Bien qu'une ligne ait annulé ses services à partir du littoral du Pacifique, onze autres lignes ont augmenté d'environ six par mois le nombre de leurs départs sur des routes commerciales établies. Au moins neuf lignes japonaises offrent maintenant des services reliant l'Ouest du Canada à la plupart des marchés.

Le tableau V indique les services de ligne exploitées à partir des ports du Canada en 1959.

TABLEAU IV
PARTICIPATION DES NAVIRES DE DIFFÉRENTS PAVILLONS AU TRAFIC OCÉANIQUE DU CANADA
CARGAISONS SOLIDES SEULEMENT

(Nom compris le trafic avec ou via les États-Unis d'Amérique)

—	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Total des exportations et des importations—cargaisons solides—(tonne de 2,000 liv.) (en milliers).....	16,327	15,168	17,046	15,342	21,570	25,814	24,837	23,066	29,860	30,068	29,072	27,141
Pourcentage transporté:												
Sous pavillon canadien.....	20.2	17.9	13.6	9.9	7.9	6.4	4.3	2.1	2.4	1.4	1.0	0.2
Sous pavillon du Royaume-Uni..	45.2	46.3	43.1	48.8	40.6	35.4	34.0	33.8	29.2	31.3	30.0	32.2
Sous pavillon norvégien.....	9.3	9.3	11.9	11.5	10.2	12.4	13.5	15.1	13.3	13.7	15.4	15.8
Sous pavillon panaméen.....	3.4	2.6	4.8	4.8	5.9	6.7	7.6	7.4	10.8	5.2	4.8	2.2
Sous pavillon américain.....	19.9	7.7	4.3	5.1	8.6	4.8	2.8	2.5	4.6	2.4	2.1	1.5
Sous pavillon néerlandais.....	—	—	—	—	—	4.8	4.0	4.1	2.9	4.2	3.7	3.2
Sous pavillon grec.....	—	1.6	4.3	3.7	4.6	3.0	3.8	3.7	2.7	2.1	2.9	3.2
Sous pavillon suédois.....	1.8	2.9	6.8	3.2	3.5	3.8	3.0	3.4	3.8	3.9	4.2	4.1
Sous pavillon allemand.....	—	—	—	—	—	4.2	6.1	5.8	5.4	10.0	8.9	9.8
Sous pavillon japonais.....	—	—	—	—	—	4.8	3.8	3.0	3.8	5.4	5.0	6.5
Sous pavillon libérien.....	—	—	—	—	—	1.4	3.1	6.2	11.2	9.6	10.0	11.8
Sous pavillon italien.....	—	—	—	—	—	—	—	—	—	—	4.1	4.2
Sous d'autres pavillons.....	9.5	11.7	11.2	13.0	18.7	14.1	14.0	12.9	9.9	10.8	7.9	6.4
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

REMARQUE.—Les tirets indiquent que le pourcentage est compris dans celui des "autres pavillons", pour l'année en cause.

une entente au sujet d'un service provisoire entre Prince Rupert et les ports du canal de Portland et d'Alice Arm. La fin soudaine de la grève après un seul voyage sur la côte ouest de l'île de Vancouver, mais avant l'inauguration du service provisoire vers le nord, a permis à la *Northland* de reprendre ses opérations.

Dans le cas des Services de navires à vapeur côtiers de Terre-Neuve, exploités par les chemins de fer Nationaux du Canada, un accord est intervenu entre la compagnie et la Fraternité canadienne des employés de chemin de fer et le Syndicat général des employés du transport. Cet accord établissant la semaine de 40 heures et effectuant certains redressements dans l'échelle des salaires et les prestations supplémentaires, il a nécessité l'addition de près de 200 membres d'équipage supplémentaires et a été la cause principale de la forte hausse du déficit d'exploitation comblé par le versement d'une subvention.

Ports canadiens

Au cours de l'année 1959, 165,862,235 tonnes de marchandises sont passées par les ports canadiens, soit une augmentation de 11.6 p. 100 par rapport au chiffre de l'année précédente. Les cargaisons à destination ou en provenance de pays étrangers ont augmenté de 19½ p. 100 et la quantité des marchandises transportées par les navires côtiers, de 4.4 p. 100.

Le tableau IV montre la participation des navires battant pavillon canadien ou pavillon d'autres pays au transport océanique des cargaisons solides, à l'exclusion du trafic avec ou via les États-Unis.

Plan de remplacement

Au cours de l'année à l'étude, il y a eu une recrudescence d'activité dans le marché des navires construits pendant la guerre bien que les prix obtenus aient été très faibles. Au 31 mars 1960, dix-sept de ces navires avaient été vendus moyennant une somme de \$2,826,000, en conformité des dispositions du Plan de remplacement. Depuis la mise en œuvre du Plan, 173 navires ont été vendus moyennant une somme globale de \$102,589,000. Il ne reste maintenant que trente-six navires construits pendant la guerre qui appartiennent à des Canadiens et la plupart sont encore en service.

L'argent provenant de la vente de navires effectuée conformément au Plan a été affecté à la construction de nouveaux navires, de la manière suivante:

Construction, acquisition et modernisation de navires océaniques.....	\$ 70,568,000
Construction et modernisation de navires des Grands lacs et de navires côtiers.....	\$ 30,552,000
Solde de la caisse de fiducie.....	\$ 1,469,000
	<hr/> \$102,589,000 <hr/>

TABLEAU III

FLOTTE CANADIENNE DE COMMERCE

Au 31 MARS 1960

Navires automoteurs de 200 tonneaux de jauge brute ou plus (à l'exclusion des navires non commerciaux, des remorqueurs, des transbordeurs ne prenant pas la mer, des balciniers et des bateaux de pêche)

RÉPARTITION D'APRÈS LA JAUGE ET L'ANNÉE DE CONSTRUCTION

	200-499 tx		500-999 tx		1,000-1,999 tx		2,000-4,999 tx		5,000-9,999 tx		10,000 tx ou plus		Totaux	
	Nom- bre	Jauge brute	Nom- bre	Jauge brute	Nom- bre	Jauge brute	Nom- bre	Jauge brute	Nom- bre	Jauge brute	Nom- bre	Jauge brute	Nom- bre	Jauge brute
1956-.....	6	1,641	5	3,401	4	5,781	13	39,423	2	15,979	3	48,233	33	114,458
1951-1955.....	2	723	1	510	—	—	12	32,375	7	49,999	14	189,834	36	273,441
1946-1950.....	10	4,066	9	5,367	6	8,143	13	35,726	4	24,328	3	37,074	45	114,704
1941-1945.....	22	7,093	14	9,965	9	12,243	12	36,591	6	43,088	3	31,908	66	140,888
1936-1940.....	11	3,393	1	888	7	10,682	3	6,692	—	—	—	—	22	21,655
1931-1935.....	3	762	2	1,524	7	12,256	—	—	—	—	—	—	12	14,542
1921-1930.....	6	2,039	6	4,924	76	138,723	39	94,645	9	63,855	1	10,480	137	314,666
1911-1920.....	9	3,110	7	4,913	12	17,517	8	18,790	4	28,993	—	—	40	73,323
1901-1910.....	5	2,077	—	—	9	15,693	23	83,460	9	55,432	—	—	46	156,662
1900 et avant.....	3	1,121	—	—	5	9,102	16	68,335	2	12,050	—	—	26	90,608
Totaux.....	77	26,025	45	31,492	135	230,140	139	416,037	43	293,724	24	317,529	463	1,314,947

TABLEAU II
FLOTTE CANADIENNE DE COMMERCE

Au 31 mars 1960

Navires autonomoteurs de 200 tonneaux de jauge brute ou plus (à l'exclusion des navires non commerciaux, des remorqueurs, des transbordeurs ne prenant pas la mer, des baleiniers et des bateaux de pêche)

RÉPARTITION D'APRÈS LA JAUGE ET LE PAYS DE CONSTRUCTION

Pays de construction	200-499 tx		500-999 tx		1,000-1,999 tx		2,000-4,999 tx		5,000-9,999 tx		10,000 tx ou plus		Totaux	
	Nom- bre	Jauge brute	Nom- bre	Jauge brute	Nom- bre	Jauge brute	Nom- bre	Jauge brute	Nom- bre	Jauge brute	Nom- bre	Jauge brute	Nom- bre	Jauge brute
Canada.....	55	17,780	14	8,801	31	49,695	53	143,023	27	199,439	21	285,621	201	704,359
Royaume-Uni.....	12	4,617	14	10,572	83	147,391	45	111,052	6	34,665	—	—	160	308,297
États-Unis.....	8	2,767	13	9,223	17	27,522	39	156,298	10	59,620	3	31,908	90	287,338
Autres pays.....	2	861	4	2,896	4	5,532	2	5,664	—	—	—	—	12	14,953
Totaux.....	77	26,025	45	31,492	135	230,140	139	416,037	43	293,724	24	317,529	463	1,314,947

d'une jauge brute de 16,053 tonnes, dont la capacité de transport fait plus que compenser la perte causée par la désaffectation des 12 navires de canal susmentionnés. De fait, en 1959, la jauge brute globale des navires des Grands lacs a marqué un gain net de 19,417 tonnes.

La jauge globale des navires appartenant à des Canadiens et inscrits au registre du Royaume-Uni a diminué de plus de la moitié, surtout à cause de la vente de onze navires qui batront pavillon étranger et du transfert de sept autres à des sociétés mères au Royaume-Uni. Au 31 mars 1960, d'autres navires, représentant une jauge brute globale d'au moins 85,634 tonnes, avaient été désarmés. A la même date, des navires immatriculés au Canada et représentant une jauge brute globale de 116,512 tonnes, ont aussi été désarmés; il s'agissait dans la plupart des cas de navires de canal âgés de 30 à 60 ans. Les tableaux II et III montrent la répartition des navires de la flotte de commerce d'après la jauge brute, le pays et l'année de construction.

Observations sur le marché des frets

Au cours de la première moitié de la période à l'étude, les tarifs-marchandises se sont peu améliorés par rapport à ceux de l'année 1958. Le transport direct des grains à partir des Grands lacs jusqu'aux pays d'outre-mer, rendu possible grâce à la voie maritime du Saint-Laurent, a permis d'épargner environ trois cents le boisseau par rapport au coût de l'expédition de Lakehead via Port Colborne et Montréal.

Au cours de la seconde moitié de la période, les tarifs-marchandises ont augmenté légèrement, surtout à cause de la demande de grains résultant d'une mauvaise récolte dans certains pays européens. Le marché général des frets s'est amélioré un peu depuis l'été dernier, mais les engagements pour le transport des grains à partir des Grands lacs jusqu'au Royaume-Uni et aux pays de l'Ouest de l'Europe n'ont comporté que des taux très légèrement supérieurs à ceux qui étaient en vigueur l'été dernier.

Travail

En 1959, un différend survenu entre le Syndicat international des marins, la Fraternité canadienne des employés de chemin de fer et le Syndicat général des employés du transport sur une question de compétence a entraîné une grève de 20 jours et immobilisé la flotte de la *Northland Navigation Company* sur le littoral de la Colombie-Britannique, ce qui a désorganisé les deux services subventionnés du littoral ouest.

Afin d'assurer le ravitailllement en produits de base des centres desservis par ces services essentiels, la Commission a pris des mesures pour l'établissement d'un service provisoire entre Port Alberni et les ports situés sur la côte ouest de l'île de Vancouver et a aussi conclu

TREIZIÈME RAPPORT ANNUEL

1. Transport maritime

Sauf indication contraire, le présent rapport porte sur la période allant du 1^{er} avril 1959 au 31 mars 1960.

Le tableau I, à la page précédente, indique que la flotte de navires marchands immatriculés au Canada est demeurée relativement stable durant les douze mois à l'étude. Toutefois, le nombre des navires océaniques immatriculés au Royaume-Uni a sensiblement diminué. Trois navires de charge ont été ajoutés à la flotte des navires océaniques: l'*Esquimo*, nouveau navire à moteur construit au Canada, ainsi que le *Federal Pioneer* et la *Federal Voyager*, tous deux immatriculés de nouveau au Canada après avoir été inscrits pendant une certaine période au registre du Royaume-Uni. Le *B.A. Peerless*, ancien navire-citerne des Grands lacs a été adapté au service océanique, ce qui compense la perte résultant de la désaffectation de l'*Imperial Edmonton*.

À la flotte des navires côtiers se sont ajoutés le *Sydney*, nouveau transbordeur du gouvernement de la Colombie-Britannique, ainsi que le *Federal Explorer* et le *Federal Express*, deux navires de charge de dimensions moyennes, qui ont été inscrits de nouveau au registre canadien. Le *Lady Alexandra*, vieux de 35 ans, a été vendu, pour servir vraisemblablement de restaurant flottant dans la région de Vancouver. Par suite de l'ouverture de la voie maritime du Saint-Laurent, le navire-citerne *Imperial Quebec*, qui ne pouvait quitter les Grands lacs à cause de son fort tirant d'eau, a pu commencer à effectuer le service Grands lacs-littoral Atlantique pour lequel il avait été construit.

L'inauguration de la voie maritime explique aussi certains changements importants qui sont intervenus dans la composition de la flotte des Grands lacs. Douze anciens navires des canaux, d'une jauge brute globale de 21,877 tonneaux et âgés de 31 à 57 ans, ont été, soit vendus pour la ferraille, soit transformés en chalands. Ce sont: l'*Acadian*, le *George M. Carl*, le *Grovedale*, le *J. G. Irwin*, le *Meaford*, le *Penetang*, le *Shelton Weed*, le *David Barclay*, l'*Edwin T. Douglass*, le *John B. Richards*, le *Norman B. MacPherson* et le *Piton*. Neuf autres, nommément le *Belvoir*, le *Elastic Hall*, le *Frankcliff Hall*, le *Griffon*, le *Hutchcliff Hall*, le *Metis*, le *Southcliff Hall* et le *Tecumseh*, ont été agrandis, leur capacité ayant été augmentée de 8,218 tonneaux de jauge brute.

Deux très grands navires de transport en vrac construits au Canada ont été ajoutés à la flotte des Grands lacs. Ce sont le *Menhah Lake*, d'une jauge brute de 17,023 tonneaux, et le *Seaway Queen*,

(Navires d'une jauge brute de 1,000 tonneaux ou plus)

FLOTTE CANADIENNE DE COMMERCE

TABEAU I

	31 mars 1959		31 mars 1960	
	Nom- Jauge brute	Nom- Jauge brute	Nom- Jauge brute	Nom- Jauge brute
Navires océaniques (commerce extérieur)				
Navires de charge, construction de guerre:				
10,000 tonneaux.....	3	21,550	5	35,848
Autres navires de charge.....	2	5,664	3	10,126
Navires-citernes.....	5	27,214	8	45,974
	8	90,005	8	90,203
	13	117,219	16	136,177
Navires côtiers				
Navires de charge et navires à passagers.....	52	162,706	54	167,383
Navires-citernes.....	9	21,442	10	26,122
	61	184,148	64	193,505
Navires des lacs				
Navires de charge et navires à passagers.....	233	834,033	223	853,450
Navires-citernes.....	40	91,616	38	74,298
	273	925,649	261	927,748
Résumé				
Navires de charge et navires à passagers.....	290	1,023,953	285	1,066,807
Navires-citernes.....	57	203,063	56	190,623
	347	1,227,016	341	1,257,430
Navires inscrits au registre du R.-U.....	23	164,091	19	135,534
Transférés au registre du R.-U.....	38	309,833	11	80,726
Ravitailleurs prêts.....	5	36,381	5	36,381
	66	510,305	35	252,641

L'honorable GEORGE HEES, C.P., député,
Ministre des Transports,
Ottawa.

Monsieur,

Conformément aux dispositions de l'article 13 de la Loi sur la Commission maritime canadienne, 1947, j'ai l'honneur de vous présenter le rapport de la Commission maritime canadienne portant sur la période comprise entre le 1^{er} avril 1959 et le 31 mars 1960.

J'ai l'honneur d'être, Monsieur,
Votre obéissant serviteur,

Le Président,

A. WATSON.

OTTAWA
le 28 juin 1960.

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